



MULTNOMAH COUNTY OREGON

BOARD OF COUNTY COMMISSIONERS
ROOM 605, COUNTY COURTHOUSE
1021 S.W. FOURTH AVENUE
PORTLAND, OREGON 97204

GLADYS McCOY • CHAIR • 248-3308
PAULINE ANDERSON • DISTRICT 1 • 248-5220
GRETCHEN KAFOURY • DISTRICT 2 • 248-5219
RICK BAUMAN • DISTRICT 3 • 248-5217
SHARRON KELLEY • DISTRICT 4 • 248-5213
JANE McGARVIN • Clerk • 248-3277

AGENDA OF
MEETINGS OF THE MULTNOMAH COUNTY BOARD OF COMMISSIONERS
FOR THE WEEK OF
November 20 - 24, 1989

Tuesday, November 21, 1989 - 9:30 AM - Formal Page 2
Tuesday, November 21, 1989 - 1:30 PM - Informal Page 3
Tuesday, November 21, 1989 - 7:00 PM - Public Hearing . . . Page 4
Rockwood PUD
Wednesday, November 22, 1989 - 8:30 AM Policy Development . Page 4
Committee

NOTE: COUNTY OFFICES WILL BE CLOSED THURSDAY, NOVEMBER 23, 1989

HAPPY THANKSGIVING

Tuesday, November 21, 1989, 9:30 AM
Multnomah County Courthouse, Room 602

Formal Agenda

CONSENT CALENDAR

DEPARTMENT OF JUSTICE SERVICES

- C-1 Liquor License applications submitted by Sheriff's Office with recommendation that same be approved as follows:
 - a) PACKAGE STORE - Plainview Grocery, 11800 NW Cornelius Pass Road, Portland
 - b) RETAIL MALT BEVERAGE - Rustic Inn, 29311 SE Stark, Troutdale

REGULAR AGENDA

DEPARTMENT OF ENVIRONMENTAL SERVICES

- R-2 Budget Modification DES #6 reclassifying one position of electrician to a new position of Chief Bridge Electrician as approved by Personnel and Local 48 in Transportation Division and making an appropriation transfer in the amount of \$2,302 within Transportation Division from Material & Services to Personal Services
- R-3 In the Matter of approval to begin negotiations for the purchase of the Toombs property (north of Blue Lake Park)

DEPARTMENT OF GENERAL SERVICES

- R-4 Resolution in the Matter of adopting Multnomah County's Investment Policy
- R-5 Resolution in the Matter of adopting and defining various County Funds

ORDINANCES - DEPARTMENT OF GENERAL SERVICES

- R-6 First Reading - an Ordinance relating to retiree medical insurance for employees not covered by collective bargaining agreements and amending Ordinance Nos. 534 and 295; and declaring an emergency
- R-7 First Reading - an Ordinance relating to establishment of a retiree medical insurance account

NONDEPARTMENTAL

- R-8 In the Matter of appointments to the Income Tax Study Committee of the following: Andrea Dobson, Jim Richardson, Donald S. McClave, Jim Owens, Richard R. Harris (continued from November 14)
- R-9 In the Matter of appointment of David M. Johnson to the Council on Chemical Dependency, term expiring September, 1991

Tuesday Meetings of the Multnomah County Board of Commissioners are recorded and can be seen at the following times:

Thursday, 10:00 PM, Channel 11 for East and West side subscribers

Friday, 6:00 PM, Channel 27 for Rogers Multnomah East subscribers

Saturday 12:00 PM, Channel 21 for East Portland and East County subscribers

Tuesday, November 21, 1989 - 1:30 PM

Multnomah County Courthouse, Room 602

INFORMAL

1. Discussion of the impact of HB 2338 on Assessment & Taxation - Janice Druian

PUBLIC TESTIMONY WILL NOT BE TAKEN AT INFORMAL MEETINGS

-4-

Tuesday, November 21, 1989 - 7:00 PM

Reynolds Middle School - Cafeteria
1200 NE 201st
Troutdale, Oregon

PUBLIC HEARING

Public Hearing on the boundaries of the proposed Rockwood Water
Peoples Utility District

Wednesday, November 22, 1989 - 8:30 AM

POLICY DEVELOPMENT COMMITTEE
2 World Trade Center
121 SW Salmon Street
Conference Room 1 & 2 - Bridge Level

Agenda - Wrap up

0501C.48-51

SUPPLEMENTAL AGENDA

THURSDAY, NOVEMBER 21, 1989

The following is added to Informal Briefings, at 1:30 PM

2. Briefing on courts new drug initiative - Judge Donald Londer;
Judge Harl Haas - Time Certain at 1:30 PM

Date 11/20/89

NAME

LESLIE ROBERTS

ADDRESS

53 SW Yamhill St

Street

Portland

City

97204

Zip

I wish to speak on Agenda Item #

Subject PUD Boundary

X

FOR

AGAINST

NAME

Herb Brown

Date 11-21-89

ADDRESS

1546 SE 138 Ave

Street

Portland

City

97233

Zip

I wish to speak on Agenda Item #

Subject

Rockwood PUD

☒ FOR

☐ AGAINST

Date

11/21

NAME

BILL STALLINGS

ADDRESS

14606 S.E. HARRISON

Street

PORTLAND

City

97233

Zip

I wish to speak on Agenda Item #

1

Subject

☒

FOR

☐ AGAINST

CHIEF PETITIONER

Election - March, 1990

Date _____

NAME

Frank Josselson

ADDRESS

53 SW Yamhill

Street
Portland

OR

97204

City

Zip

I wish to speak on Agenda Item #

PUD

Subject

X

FOR

 AGAINST

NAME

John F. VOGL

Date _____

ADDRESS

16410 SE STEPHENS CT.

Street
PORTLAND
City

97233
Zip

I wish to speak on Agenda Item # _____

Subject

P. U. D.



FOR

AGAINST

Ironical feasibility

Date 11/21/89

NAME F. Duane Lee, P.E.

ADDRESS 1400 John Adams

Street

Oregon City OR 97045
City Zip

I wish to speak on Agenda Item # ✓
Subject Rockwood water Dist.

✓ FOR

AGAINST
Capital Improvements
assessment.

Engineer

NAME

Frank Roberts

Date

ADDRESS

10632 NE Tillamook

Street

Portland

City

97220

Zip

I wish to speak on Agenda Item #

Subject

☒ FOR

☐ AGAINST

Not a resident of this district

NAME

Ed Tenney / Portland Water Bureau

Date

11-21

ADDRESS

1120 SW 5th

Street

Portland

City

OR 97204

Zip

I wish to speak on Agenda Item #

Rockwood PUD

Subject

FOR

☒ AGAINST

Must exclude areas not considered to
be in the public interest --- areas
annexed to one of the Cities or is in
the U.S.B.

NAME

MARSHALL SHERWIN

Date

11-21-89

ADDRESS

2223 NE 152 AVE

Street

PORTLAND

City

OR

97230

Zip

I wish to speak on Agenda Item #

Subject

FOR

AGAINST

NEUTRAL X

Within City of Portland, would like to
stay with Port.

Date 11/21/89

NAME

Stephen C. Bauer

ADDRESS

1120 SW Fifth Avenue, Room 1250

Street
Portland

City

97211

Zip

I wish to speak on Agenda Item #

Subject Rockwood PUD

 FOR

 X AGAINST

As a full service government
territory being served by Post.
Should be excluded from the P.U.D.

NAME

Pat Brown

Date 11-21-89

ADDRESS

1546 SE 138th Ave

Street

PHD

City

97233

Zip

I wish to speak on Agenda Item #

Subject

Rockwood PUD

FOR

AGAINST

Lives in the unicorps area, within
the U.S.B. but wants to go with the
Rockwood P.U.D.

NAME

Ruth Spetter

Date

11/21

ADDRESS

1220 SW 5th

Street
Portland

OK

City

Zip

I wish to speak on Agenda Item #

Subject

FOR

✓ AGAINST

Written Submission

City Attorney's office, Portland

Date 11-21

NAME

Jeanne Orcutt

ADDRESS

4201 N.W. 3rd St

Street

Crestham, OR 97030

City

Zip

I wish to speak on Agenda Item #

Subject

RKWD Water PWD

X FOR

AGAINST

Gresham resident but receives water from
Rockwood

NAME

(BOB)
ROBERT MCNEIL

Date _____

ADDRESS

17809 SE STEPHENS ST

Street

FORT

City

97233

Zip

I wish to speak on Agenda Item # _____

Subject _____

____ FOR

____ AGAINST

Date

11/21/89

NAME

Wally Douthwaite

ADDRESS

1333 NW Eastman Pkwy

Street

Gresham

97030

City

Zip

I wish to speak on Agenda Item #

Subject

Redwood PUB

FOR

☒ AGAINST

Representing majority of Council but not
the Mayor, Cassie MCR.

Building a 10 mill gal water tower which
would be affected by the withdrawal of that
area

• P4

NAME

Date

ADDRESS

Street

City

Zip

I wish to speak on Agenda Item

#

Subject

FOR

AGAINST

X
PUD,

Rockwood Dist since 1946

Very kind to seniors who live in trailer park
helpful during time of freeze

Date 11-21-88

NAME

DUANE E. ROBINSON

ADDRESS

19601 NE Halsey

Street
Portland

City

97230

Zip

I wish to speak on Agenda Item #

PUD

Subject

X

FOR

 AGAINST

Date 11/21/89

NAME

Jean Hood

ADDRESS

2134 SE 174

Street

Portland

City

97233

Zip

I wish to speak on Agenda Item #

Subject

R U D

☒

FOR

☐ AGAINST

A member of Rockwood Water Dist.

Date 11-21-89

NAME Frank Gearhart

ADDRESS 2103 NE 24th Ct

Street
Gresham OR 97030
City Zip

I wish to speak on Agenda Item # _____

Subject RKWD PLD

X FOR

AGAINST

NAME

William Doering Dist. #3 City Coun

Date 11/21/89

ADDRESS

5305 SE 104th

Candidate

Street

Portland, Ore

City

97266

Zip

I wish to speak on Agenda Item # _____

Subject _____

____ FOR

X AGAINST

Keep services in Rockwood

Date 21 Nov 89

NAME

RON McEARTY

ADDRESS

1821 ME 122

Street

P
City

17230

Zip

I wish to speak on Agenda Item # _____

Subject _____

X

FOR

AGAINST

People should have right to
decide who can best serve them

Date 11/21/89

NAME

JIM WORTHINGTON

ADDRESS

3232 S.E. 153 RD

Street

PORTLAND, OR. 97236

City

Zip

I wish to speak on Agenda Item # _____

Subject _____

FOR

AGAINST

Bah Lentry
667-6345 (C.B.A.C.)

1 BEFORE THE BOARD OF COUNTY COMMISSIONERS

2 FOR MULTNOMAH COUNTY, OREGON

3 In the Matter of Determining the)
4 Boundaries of the Rockwood Water) RESOLUTION
5 Public Utility District and Calling)
6 An Election on District Formation)
7 And Related Matters)

8 WHEREAS, the Multnomah County Board of Commissioners
9 received a petition requesting formation of a public utility
10 district to be known as Rockwood Water Public Utility District
11 (P.U.D.); and

12 WHEREAS, ORS 261.161(2) requires the Board of County
13 Commissioners to determine the boundaries of the proposed
14 P.U.D. based on the record and the Energy Department report; and

15 WHEREAS, a hearing on the boundaries was held on
16 November 21, 1989 and December 12, 1989; and

17 WHEREAS, the Board of County Commissioners has
18 received two petitions for inclusion of additional land within
19 the boundaries of the proposed P.U.D. (Ducks Moorage and
20 Dorothy Weatherston properties); and

21 WHEREAS, the Board has received and considered the
22 Oregon Department of Energy's report on the proposed P.U.D.; and

23 WHEREAS, substantial portions of the proposed P.U.D.
24 have been annexed to cities which are ready and willing to
25 provide these areas with domestic water (some lands have also
26 been withdrawn by the cities from the Rockwood Water District);
27 and

28 WHEREAS, the cities have done extensive public
29 facility and financial planning for extending water service to
30 these areas; and

31 WHEREAS, Portland has requested that the P.U.D.
32 boundaries exclude all territory within the city's Urban
33 Services Boundary; and

34 WHEREAS, Portland's Urban Services Policy (endorsed by
35 Multnomah County by the document known as "Resolution A" in
36 1983) encourages annexation within an urban services boundary
37 developed in a state-mandated, LCDC-acknowledged, comprehensive
38 planning process. Complementary to this planning process are

1 the other state-mandated laws regarding annexation. Since
2 1969, a Local Government Boundary Commission has overseen
3 annexations and other territorial local government issues in
4 the metropolitan area; and

5 WHEREAS, Portland, Gresham, and Fairview always
6 intended, through a series of planned annexations, to provide
7 all municipal services to all city residents. The Rockwood
8 P.U.D. proposal is at odds with the cities' legitimate
9 objectives and statewide planning goals; and

10 WHEREAS, economies of scale are a very real advantage
11 in the water service industry, given the high level of capital
12 investment in the various components of the system: treatment,
13 storage, transmission, and distribution at adequate pressures
14 for home and commercial use as well as fire protection,
15 emergency repair response, and preventive maintenance. To be
16 able to meet these needs in the long-term at the lowest
17 possible rates within a given territory is best achieved by a
18 large utility providing services directly. To attempt to
19 deliver these services in an urban setting through a
20 specialized district does not make good sense; and

21 WHEREAS, administrative overhead is lowered and
22 accountability to ratepayers is best achieved where all urban
23 services within a given territory are provided by one entity
24 (city) rather than several separate entities. Where multiple
25 jurisdiction overlap to provide various services, the result is
26 confusion over jurisdiction, overlapping service areas, and
duplication of service; and

WHEREAS, the Energy Department's report states that
the Rockwood P.U.D. petition is very unusual in that it "does
not primarily involve whether a P.U.D. would provide cheaper
rates than the utility providing the existing service. What is
really involved in this proceeding is a question of annexation
by local governments" (Energy Report, p. 3); and

WHEREAS, the Board has determined, based on the
record, that the public interest will best be served in this
unique case by adjusting the proposed boundaries to exclude
lands that are to be served by municipalities; and

WHEREAS, a legal description of the appropriate
boundaries has been prepared;

1 NOW, THEREFORE, BE IT RESOLVED that

2 1. The boundaries of the Rockwood Water P.U.D. shall
3 be those set forth in Exhibit 1.

4 2. The question of whether the P.U.D. should be
5 formed, the election of district directors, and the special
6 levy of \$3,000 shall be submitted to the voters at the
7 March 27, 1990 election.

8 3. The Director of Elections shall publish the notice
9 required by law and place the P.U.D. proposal on the March 27,
10 1990 ballot.

11 ADOPTED this ____ day of December, 1989.

12 BOARD OF COUNTY COMMISSIONERS
13 FOR MULTNOMAH COUNTY, OREGON

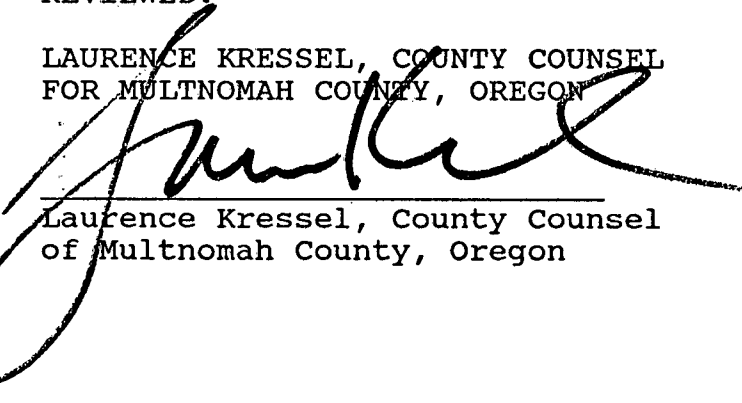
14 (SEAL)

15 By _____

16 Gladys McCoy, Chair
17 Multnomah County, Oregon

18 REVIEWED:

19 LAURENCE KRESSEL, COUNTY COUNSEL
20 FOR MULTNOMAH COUNTY, OREGON

21 
22 Laurence Kressel, County Counsel
23 of Multnomah County, Oregon

24 (12/11/89)

25 6603R/mc



MULTNOMAH COUNTY OREGON

OFFICE OF COUNTY COUNSEL
1120 S.W. FIFTH AVENUE, SUITE 1530
P.O. BOX 849
PORTLAND, OREGON 97207-0849
(503) 248-3138

BOARD OF COUNTY COMMISSIONERS
GLADYS McCOY, CHAIR
PAULINE ANDERSON
RICK BAUMAN
GRETCHEN KAFOURY

COUNTY COUNSEL
LAURENCE KRESSEL
CHIEF ASSISTANT
ARMINDA J. BROWN
ASSISTANTS
JOHN L. DU BAY
SANDRA N. DUFFY
J. MICHAEL DOYLE
H. H. LAZENBY, JR.
PAUL G. MACKEY
MARK B. WILLIAMS

MEMORANDUM

TO: Jane McGarvin
Clerk of BCC

FROM: Laurence Kressel *LK*
County Counsel (106/1530)

DATE: November 13, 1989

RE: Hearing on Proposed Rockwood PUD

1989 NOV 15 AM 11:10
MULTNOMAH COUNTY
OREGON
BOARD OF
COUNTY COMMISSIONERS

The Board has scheduled November 21, 1989 as the hearing date to determine the Rockwood PUD boundaries. You have asked whether the hearing can be adjourned and on what date the Board must take final action on the boundaries.

These questions are controlled by ORS 261.161 (copy attached). The rules are as follows:

1. The hearing on the boundaries must take place within 90 days after the petition to form the PUD is certified. In this instance, the hearing deadline is November 30th.
2. The hearing can be adjourned, but cannot exceed four weeks.
3. The final action on the boundaries must be taken within 10 days of the last date of hearing. In other words, the Board need not determine the boundaries at the public hearing. It can close the public hearing and deliberate on the boundaries later on (in open session, of course), so long as the 10 day rule is met.

Jane McGarvin
November 13, 1989
Page 2

As you can see from reading ORS 261.161, the statute provides little guidance as the Board's task at the public hearing is or the form for its final action. . It simply requires the Board to determine the boundaries based on the record of the hearing and the report issued by the Department of Energy. (ORS 261.161(3) prevents the Board from adding land to the proposed PUD boundaries without written landowner consent.)

By a copy of this memorandum, I am inviting the interested parties to submit to me memoranda on any legal issues they feel should be addressed regarding the boundary determination. I will advise the Board prior to the hearing.

cc: Board of Commissioners
Fred Neal
Frank Josselson, Attorney for Chief Petitioners
Tom Sponsler, Gresham City Attorney
Ruth Spetter, Assistant City Attorney, Portland

proposed boundaries and, if district formation is proposed, the report of the Director of the Department of Energy under ORS 261.151, the county governing body within 10 days of the last date of hearing shall determine the boundaries of the proposed or established district.

(3) No lands shall be included in the boundaries fixed by the governing body lying outside the boundaries described in the electors' petition unless the owners of that land request inclusion in writing before the hearing under subsection (1) of this section is completed.

(4) An electors' petition shall not be denied by a county governing body because of any deficiency in the description of the boundaries of the proposed district, but the county governing body shall correct those deficiencies. [1979 c.558 §13]

261.165 [Repealed by 1979 c.558 §30]

261.170 [Repealed by 1979 c.558 §30]

261.171 County governing body to call election; notice; dates. (1) Upon its own resolution, the county governing body may, and upon receipt of an electors' petition or resolution of the governing body of a district or municipality which the county governing body finds to be in compliance with this chapter shall, at the earliest practical date submit the question of district formation, annexation or consolidation and, if for formation, the question of a special levy, to the electors within the affected territory at a special election. The special election may be held on the same date as a biennial regular primary or general election.

(2) The notice of the election shall state the purpose of the election, describe in general terms the boundaries of the affected territory and in all other respects comply with the general laws of this state governing the time and manner of holding elections.

(3) The county governing body shall call no more than one election for formation of a district comprising substantially the same area within the same calendar year. [1979 c.558 §14]

261.175 [Repealed by 1979 c.558 §30]

261.180 Effect of annexation or consolidation on title to property and indebtedness. (1) Where a parcel of territory or municipality is annexed to an existing district, or two or more districts are consolidated, such annexation or consolidation shall not affect or impair the title to any property owned or held by any such district or districts, or of a municipality annexed, or in trust therefor, or any debts, demands, liabilities or obligations existing in favor of or against either the district or municipality so annexed.

(2) The acceptance of any indebtedness at the election to determine the question of annexation shall not include any indebtedness except such as has been incurred or assumed on account of development or purchase of a utility.

261.185 [Amended by 1973 c.796 §10; repealed by 1975 c.647 §53]

261.190 Qualifications; election of first board of directors; tenure. (1) At all elections where the creation of a district is authorized, five directors shall be elected to manage and transact the business of the district.

(2) Candidates for the office of director must be electors of this state, must have resided in the proposed district continuously for not less than two years next preceding the date of the election, and must continue to reside in the district during their term of office.

(3) All electors of the proposed district shall have the right to vote for five candidates at the election.

(4) The five candidates receiving the highest number of votes in the area approved by the electors and declared by the county governing body to be a district shall be elected to serve until the first Monday in January after the first regular biennial general election which occurs not less than one year following the election to create the district, and until their successors are elected and qualified. [Amended by 1973 c.796 §11; 1975 c.598 §4; 1979 c.558 §16]

261.195 [Amended by 1973 c.796 §12; repealed by 1975 c.647 §53]

261.200 Proclamation of district formation or boundary change; special levy; property owner petition. (1) If a majority of votes cast at the election favor formation of the district and authorization of the district to impose a special levy for the purposes stated in the petition for formation, or annexation of a parcel of territory or a municipality to an existing district, or consolidation of two or more districts, as the case may be, and in conformity with provisions of ORS 261.105 and 261.110, the county governing body shall issue a proclamation accordingly and file a certified copy with the county clerk of each county where the district or any portion thereof is located. The proclamation for formation of a district shall be in substantially the following form:

Whereas at an election duly and regularly held on the — day of —, A.D. 19—, within — County (or — Counties), State of Oregon, and within the boundaries of a

261.147 PUBLIC ORGANIZATIONS FOR COMMUNITY SERVICE

(2) Resolutions authorized under this section shall describe the boundaries of the affected territory and, if for formation or consolidation of a district or districts, the name by which the proposed district is to be known. [1979 c.558 §11]

261.145 [Repealed by 1979 c.558 §30]

261.147 Resolution to remove territory not served by district; hearing; notice; election on question of removal; effect of removal. (1) When any parcels of territory within an existing district are not being served by the district, the board of directors of the district may fix a place and time for a public hearing to consider the removal of such parcels from the district.

(2) Notice stating the time and place of the hearing shall be published in accordance with ORS 261.161 (1). The hearing may be adjourned from time to time, but shall not exceed four weeks in length. Public testimony shall be taken at the hearing.

(3) Upon conclusion of the public hearing the board may by resolution remove such parcels, or any of them, from the district. The resolution shall become effective 30 days after passage, unless written requests for an election are filed as provided by subsection (4) of this section.

(4) If written requests for an election are filed with the board within 30 days after passage of the resolution by not less than 15 percent of the electors or 100 electors registered in the parcels to be removed, whichever is the lesser number, an election on the question of removal of the parcels described in the resolution shall be held on the next scheduled general or special election date.

(5) The electors eligible to vote in the election described in subsection (4) of this section shall be those electors who reside on the parcels described in the resolution.

(6) From the date of removal, liability of the territory removed from the district for assessments and taxes levied after the date of removal by the district and for bonded and other indebtedness shall be in accordance with ORS 198.880 and 198.882. [1987 c.824 §3]

261.150 [Repealed by 1979 c.558 §30]

261.151 Hearing on district formation by Director of Department of Energy; notice; report by director. Upon certification of a petition for formation or adoption of a resolution by the county governing body for district formation, the county clerk shall submit a copy of the resolution or petition, without signatures attached, to the Director of the Department of Energy. Not less than 30 days after

receipt of the petition or resolution copy, the director shall hold a hearing within the proposed district for the purpose of receiving public testimony on the proposed district formation. Notice of the hearing, stating the time and place of the hearing, together with the electors' petition, when applicable, without the signatures attached, shall be published at least two times prior to the date of the meeting. The first publication shall not be more than 25 days nor less than 15 days preceding the hearing and the last publication shall not be more than 14 days nor less than eight days preceding the hearing. Within 60 days after receipt of the petition or resolution copy, the director with the advice and assistance of the Public Utility Commission of Oregon shall prepare and publish a concise report showing the availability and cost of power resources, potential tax consequences and any other information considered by the director to be relevant to the proposed formation of the district. A copy of the report shall be mailed, upon publication, by the director to the county governing body. [1979 c.558 §12a]

261.155 [Repealed by 1979 c.558 §30]

261.160 [Repealed by 1979 c.558 §30]

261.161 Hearing by county governing body; notice; determination of boundaries.

(1) After certification of a petition, or passage of the resolution when the formation, annexation or consolidation proposal is by resolution of the county governing body, the county governing body shall, within 10 days, fix a date for a hearing on the boundaries described in the electors' petition or resolution of the county governing body for inclusion in the proposed or established district. The hearing shall be held by the county governing body not less than 60 days nor more than 90 days after certification of the petition or passage of the resolution. Notice of the hearing, stating the time and place of the meeting, together with the electors' petition, when applicable, without the signatures attached, shall be published at least two times prior to the date of the meeting. The first publication shall not be more than 25 days nor less than 15 days preceding the hearing and the last publication shall not be more than 14 days nor less than eight days preceding the hearing. Notice of the hearing, and all other publications required by this chapter, shall be published in at least one newspaper of general circulation in the proposed or established district. The hearing may be adjourned from time to time, but shall not exceed four weeks in total length. Public testimony shall be taken at the hearing.

(2) Based upon the record of the hearing prescribed in subsection (1) of this section on the

**Report on the Proposed Rockwood Water
People's Utility District**

**Oregon Department of Energy
Salem, Oregon
November 9, 1989**

November 9, 1989

Report on the Proposed
Rockwood Water Peoples' Utility District

Oregon Department of Energy
Salem, Oregon

Introduction

Pursuant to ORS 261.151 the Oregon Department of Energy (ODOE) has written this report on the proposed Rockwood Water Peoples' Utility District (Rockwood PUD). The report sets forth ODOE's comments on the availability and cost of water to the proposed district. It also comments on the tax effects if such a district is formed. The report is based on ODOE's own data, and information taken at a public hearing. ODOE is aided by the Public Utility Commission staff in writing this report. But, the conclusions herein are solely ODOE's.

Background

Creation of a PUD is authorized by Article IX, Section 12 of the Oregon Constitution as implemented by ORS Chapter 261. By law, ODOE must conduct a public hearing after a petition to form a PUD has been filed with and certified by the County. Changes made by the 1979 Legislature limit ODOE's duties. This report does not take the place of an engineering study; it is not an in-depth economic feasibility study; it is not advice on whether a PUD should be formed.

A petition to form a PUD was filed with Multnomah County on August 31, 1989. It was certified by the County on September 1, 1989. The County sent the petition to ODOE on September 12, 1989, and it was received by the Oregon Department of Energy on September 14, 1989. The PUD would include portions of Multnomah County generally covered by the existing Rockwood Water District, although not completely so. The proposed PUD's boundaries would be roughly 141st Avenue on the west, Interstate 84 on the north, 235th Avenue on the east, and Southeast Division Street on the south.

Summary of Major Issues

Under ORS 261.151, the Department is required to conduct a hearing and issue a concise report not less than thirty days nor more than sixty days after receipt of the petition. The Department's window began on October 14, 1989, and ends November 13, 1989, both to hold a hearing and complete its report. By statute, the Department is directed to write a concise report "... showing the availability and cost of power resources, potential tax consequences, and any other information considered by the Director to be relevant to the proposed formation of the District."

While the wording of Section 261.151 in terms of issues appears to imply electricity, in fact the Department is charged with conducting a hearing and writing a report on petitions to form all PUDs. PUDs, once formed, can provide electricity or water service. There is no restriction, once a PUD is formed, on any of the services authorized by ORS Chapter 261. Specifically, ORS 261.305 provides that PUDs may "... acquire, develop, and otherwise provide for a supply of water for domestic and municipal purposes, waterpower, and electric energy, or electric energy generated from any utility, and to distribute, sell, or otherwise dispose of water, waterpower, and electric energy within or without the territory of such districts."

The issues discussed at the October 16, 1989 hearing were limited to formation of a PUD to replace the water service provided by Rockwood Water District. In fact, no one provided testimony that the intent was to provide electric service. To the contrary, the PUD sponsors made it clear that their intent was to provide only water service. The PUD sponsors confirmed this intent further in written correspondence to ODOE after the hearing. In fact, all the information which ODOE received has focused exclusively on water service. Nevertheless, a PUD when formed would probably have the legal authority to offer water or electric service.

Summary of the Hearings

Presentations were made by the Rockwood PUD sponsors and by the City of Gresham.

The PUD sponsors believe that the Rockwood Water PUD would be able to continue the service provided by Rockwood Water District. The Water District staff and Board of Directors support formation of the PUD. Some of the chief petitioners of the proposed PUD are directors of the Rockwood Water District. The District believes that formation of the PUD is a desirable alternative to annexation by other cities, principally the City of Gresham and the City of Portland.

The City of Gresham responded that formation of a PUD would not insure service as reliable as annexation and service by the City of Gresham. The City also pointed out a long-standing agreement between the City and Rockwood Water District about the gradual withdrawal of service by the District and takeover of service by the City of Gresham.

In addition to the PUD sponsors and the City of Gresham, all other people who wished to testify or present a statement were allowed to do so. About 15 people spoke at the hearing. It ran from 7 p.m. to about 9:45 p.m. on October 16, 1989.

Written information was also provided after the hearing by the PUD supporters among others. The Department also received written information from the City of Portland opposing the PUD and supporting annexation.

Discussion of Major Issues

Supply and Cost of Power and Water

Provision of electricity was not an issue in this hearing. No information was provided on it.

Both Rockwood Water District and the City of Gresham provided testimony on their respective sources of water. These include, among others, the Bull Run watershed (through contracts with the City of Portland), and agreements with other cities and municipal corporations. In general, it appears that the Rockwood PUD and the City of Gresham would have access to adequate supplies of water.

Sufficient storage capacity was raised as a concern in the hearing. In fact, the Rockwood PUD proponents raised the issue with respect to the City of Gresham. And, the City of Gresham raised the issue with respect to Rockwood Water District. Each side provided engineering studies and financial studies in support of their positions.

In contrast to most PUD petitions the Department has confronted, this petition does not primarily involve whether a PUD would provide cheaper rates than the utility providing the existing service. What is really involved in this proceeding is a question of annexation by local governments.

However, rates for service were an issue. For example: Rockwood Water District's residential rates are less than the City of Gresham's but Rockwood's commercial rates are higher than Gresham's.

The City of Gresham points out that it has made substantial improvements in anticipation of incorporating the Rockwood Water District pursuant to an interagency agreement signed in 1984. The contract expired this year. There was dispute in the hearing as to why it expired and was not renewed. The cost of those improvements is in part the reason that Gresham's rates, at least for homeowners, are higher than the Rockwood Water District's.

Setting rates involves a lot of flexibility and variables, including the need for capital reserves. The City of Gresham currently has a substantial reserve set aside for capital improvements. The Rockwood Water District also has a reserve for capital improvements. Both reserves appear to be reasonable to meet the needs of the systems. Both systems provide adequate service. Both also appear to have reasonable approaches to providing future service.

However, each side disputed the long-range plan of the other and the ability to meet that plan without significantly raising rates. Because of the variables involved in establishing rates, the Department cannot easily conclude whether a PUD's water rates would be more or less for each class of customer than future water rates of the City of Portland or the City of Gresham.

The only clear adverse rate impact caused by the annexation plan would be to a small portion of the Rockwood Water District that would not be incorporated into Portland or into Gresham if the current annexation plans are completed. This unincorporated area is about 25% of the current water district. This area would carry 100% of the current district's financial obligations, which could double rates for that area. This kind of result would be inequitable and does not represent good water policy, good economic policy or good annexation policy. If annexation goes forward, this issue needs to be addressed so that the citizens not incorporated by either Portland or Gresham are not so severely impacted by the actions of those municipalities.

Unresolved Legal Issues

The proposed PUD is primarily an attempt to defeat annexation plans. The Rockwood Water District would largely, but not entirely, be incorporated and annexed by the City of Gresham or by the City of Portland under current annexation plans. The Rockwood Water District opposes annexation and is using the vehicle of a PUD to try to prevent it. Whether formation of a PUD would prevent the area from being annexed by Gresham and by Portland is unclear under current Oregon law.

Changes by the 1989 Legislature also modify the process for certifying petitions to form Peoples' Utility Districts. For the first time, the boundary commissions may be involved. The Attorney General's office has looked at this issue at ODOE's request.

Specifically, the Attorney General's office provided the following analysis:

The local government boundary commission statutes were amended by the last session of the legislature. (Oregon Laws 1989, chapter 92.) Under these amendments, boundary commissions now have authority to consider proposals to establish any district, including a PUD, which supplies or seeks to supply domestic water. Oregon Laws 1989, chapter 92, § 10 (amending ORS 199.420).

The Act amending ORS 199.420 became effective on October 3, 1989. The Rockwood PUD petition was certified by the Multnomah County Elections Division on September 1. Nonetheless, there is at least some question regarding whether the boundary commission has jurisdiction to review the Rockwood PUD proposal. The Multnomah Board of County Commissioners has not transferred the certified petition to the boundary commission, however, and it appears that the County intends to proceed on the assumption that this petition is not subject to boundary commission review.

Litigation is pending currently over the City of Gresham's annexation plans. Information was introduced on the litigation at the hearing. That litigation, as well as interpretations of the changes made by the 1989 Legislature, will need to be resolved before the ultimate fate of the annexation plans can be resolved.

There is also a question as to whether a Water PUD could provide irrigation service to the current irrigation customers of Rockwood Water District. The Public Utility Commission staff has pointed out that ORS 261.010(6) which governs PUDs limits the definition of a utility to preclude irrigation or reclamation purposes. The transmission of water for irrigation by the PUD would probably have to be a separate type of operation. What impact that would have on voting rights, PUD taxes, separate rate structures, and other considerations are unclear at this point.

It is not clear how this provision interrelates to other chapters of Oregon law regarding water service. For example, ORS Chapter 225 involves municipal utilities; ORS Chapter 264 involves water supply districts, ORS Chapters 545, 548 and 554 involve irrigation districts, and ORS Chapter 552 involves water improvement districts.

Because of the limited nature of ODOE's review, resolution of the legal questions raised by these different provisions is beyond the scope of this report. However, ODOE encourages the proponents and opponents of the proposed PUD to explore these issues completely.

Regardless of the legal uncertainties, ultimately whether the cities or the PUD would provide better service is problematic. Each is capable of providing adequate service. Whether the citizens are better served over-all by annexation or by continuing as an unincorporated area, present issues beyond this Department's jurisdiction. Ultimately those issues must be decided by judgments the voters make, taking into account considerations other than energy and water after the legal issues mentioned above are resolved.

Taxing Authority of the District

Under Oregon law, a PUD has the power to levy and collect property taxes after its formation but before its activation. Tax revenues would be used to pay operating expenses such as engineering, financial, and legal fees while the system acquisition is under study. In any one year the tax cannot exceed 1/20th of one percent of the true cash value of all taxable property within the District. Over the permitted ten-year span the tax cannot exceed in the aggregate 1/4th of one percent of the true cash value.

Tax Effects

The tax effects of forming a PUD to replace the Rockwood Water District are probably insignificant. The Rockwood Water District is a municipal corporation under Oregon law. As such, the District can raise revenues through water bills. It also can assess a property tax. A PUD could do the same if necessary.

Conclusion

This report makes no recommendation regarding the formation of the proposed Rockwood PUD. Either the formation of the PUD or the annexation of the existing Rockwood Water District service area by the cities of Portland and Gresham would likely provide a similarly acceptable level of service to the citizens involved. It is not clear whether rates for all classes of customers would necessarily be higher or lower choosing either option of service.

The issues that determine whether a PUD should be formed in this case do not involve energy issues. Instead, they involve local control, annexation, and local boundary issues beyond the scope of this report. The 1984 agreement between the Rockwood Water District and Gresham provided for arbitration of disputes between the parties. It is unfortunate that arbitration to resolve these problems did not take place. The disagreements between the Rockwood Water District and Gresham might not have occurred if arbitration had been used.

November 11, 1989

TO: Larry Kressel

FROM: Jane McGarvin

SUBJECT: Rockwood Water PUD

November 21, 7 PM, Reynolds Middle School, is time and place for Board's hearing on Rockwood Water PUD. When I originally was looking at the schedule for hearings, there was a full Board present the following two weeks. However, Gladys and Pauline will both be out the following week, and Gladys will be gone through December 6. My question to you is, What is the process for further hearings, can the Board continue its hearing to another date, what is the final date the Board must act. You may have received a call from Fred Neal about this as well.

You should be prepared to advise the Board on the criteria for its hearing, as well as what action they should be prepared to take following this hearing or the continued hearing.

A question was asked me about the map - there is an area shown that says "area withdrawn by Portland". Jim C. should be contacted to

see if the legal excludes that property. I don't know.

A review of the Pioneer PUD hearing process, showed the following action was taken:

- a) 1st hearing held, and then continued to December 28, 1987
- b) December 28 - Sandra Duffy stated: There are three separate things the Board could determine to do: 1) They could determine that the boundaries are to be the boundaries as proposed by the petitioners; 2) Determine that they are going to include or exclude properties, decide that on a case by case basis, which would require a separate metes and bounds description of each exclusion; and 3) general exclusion of all commercial entities, which would require a finding to support such a general exclusion.

In addition between the first hearing and this hearing, my office sent a letter to all people who signed up to testify, called in, and requested a signed letter, with legal description (Tax Lot #'s) if the Board go to the point to excluding properties, or including additional properties.

- c) Following the hearing, they set January 5 as a work session (conducted as a formal meeting of the Board), at which time the Board deliberated with Legal Council about the Board's responsibility and authority, and indicated that an actual vote may

or might not occur that day.

d) On January 5 Board deliberated. They had a draft Metes and Bounds Description, and the following action was taken:

ORDERE that the boundaries as proposed by the proponents of the Pioneer peoples Utility District be tentatively approved, with refinements by the Assessment & Taxation Office to be submitted, and to direct County Counsel's Office to prepare a resolution with findings to be brought to the Board on Thursday, January 7, 1988, at 9:30 AM.

e) On January 7, Board considered the resolution including the boundaries and findings.

f) On January 28, Board approved an order calling an election for the Formation of the Districts. NOTE: That the Petition called for an election on May 22, 1990. The election date is actually May 15, 1990.



REYNOLDS SCHOOL DISTRICT
ADMINISTRATION OFFICES
1424 N.E. 201ST AVENUE
TROUTDALE, OREGON 97060-2499
(503) 661-7200
FAX NO. 661-6404

STRESSING THE ABCs: ACADEMICS, BASICS, CREATIVITY

October 11, 1989

Jane Gawin
1021 SW 4th, Room 606
Portland, Oregon 97204

Dear Ms. Gawin:

Reynolds School District has approved your request to use the cafeteria at Reynolds Middle School. Times, as requested, will be 6:30 pm to 10:00 pm Tuesday, November 21, 1989.

There will be no charge for the use of this field/facility.

Sincerely,

Brian Case
Budget/Accounting Supervisor

cc: Principals
Custodian

Reynolds Middle
School
Mr Simpson -
665 8166

recording
Jack Adams - 248-4488
4:30-5
TDM-Co System -



REYNOLDS SCHOOL DISTRICT NO. 7
APPLICATION FOR USE OF SCHOOL BUILDINGS

Buildings may be used at the specified times for approved civic activities without charge. Other activities and facility use require charges in accordance with a schedule adopted by the Board of Education.

Community Use of Buildings
Reynolds School District #7
1424 NE 201st Ave.
Troutdale, OR 97060

Troutdale, Oregon October 6, 19 89

Gentlemen:

The undersigned hereby makes application on behalf of (name of organization or individual)

Multnomah County Board of Commissioners
For permission to use Reynolds Middle School Cafeteria
(School) (Accommodations)

Specify if activity is:

One Time Only (X) Daily () Weekly () Monthly () Exception ()
6:30 P M. to 10 P M. November 21, 19 89
(Hours) (Day or Days of Week) (Date if one time only)

If continuous, give beginning and ending dates _____ 19 ____ through _____, 19 ____

Describe activity fully Public Hearing by the Multnomah County Board
of Commissioners on the Rockwood Water Public
Peoples Utility District.

The exercise will be held under the auspices of Multnomah County Brd of Commissioners

Charges for use of building, if any, will be paid by Multnomah County

I will need podium w/ microphone, plus 3 microphones for commissioners. if
unavailable, will arrange for county equipment to be used.

I agree to be responsible for the conduct of the audience in and about the building and for any damage beyond ordinary wear and tear which may occur to this school property incident to my occupancy thereof. I further agree that the school property will be used in accordance with rules and regulations of the Board of Directors, and that I shall be responsible for any and all liability arising from or arising out of the use of the school property and hold the School District harmless from any action arising from my occupancy. I understand that the District reserves the right to cancel this permit for school purposes or for other urgent reasons. A minimum of five days prior to the date requested for the building use is required for processing of this permit.

My signature indicates that I have read the regulations governing the use of the facility, and I understand that violation of any of the stated regulations may result in the principal terminating my right to use the facility.

Jane McShaw

Signature of Adult Responsible, Over 21

1021 SW 4th, Rm 606

Address (Home Address if this is a Gym Use Request)

Portland OR 97204

City

Zip Code

Alternate contacts working with activity:

Business Phone 248-3277

Home Phone 605-4785

Name

Business Phone

Approved By: Y. H. Simpson Principal

Edith M. G. Business Manager/Athletic Director

Charge 0

MF-10

Rev. 8/79

McRobert warns of move to form Rockwood PUD

By BARBARA PESCHIERA

Correspondent, The Oregonian

GRESHAM — Mayor Gussie McRobert said during a town hall meeting Thursday night that Gresham has been seeking to provide water to the areas of the Rockwood Water District it has annexed because state law requires the city to do so.

"Because that is what the state requires," McRobert said when asked why Gresham wants to expand its water service. "It says the withdrawal is automatic."

During the third of a series of City Council town hall meetings, McRobert predicted that if a campaign to form a Rockwood Water People's Utility District is successful, Rockwood residents would later grow to regret the move.

"There are some pretty serious financial consequences," McRobert told the more than 20 people who attended the meeting at the Rockwood Seventh-Day Adventist Church. "I guarantee you're not going to like it in a few years."

Debate about the merits of forming a PUD as opposed to allowing Gresham to take over water service dominated the free-flowing meeting. The council is seeking public comments about city issues before launching into setting goals and budgets for next year.

McRobert and Councilwoman Barbara Wiggin were the only two elected council members who attended.

The future of mobile home owners who live in parks threatened by zone changes also was an issue of major concern to the citizens at the meeting. McRobert said it was a problem to which she sees no answers.

Regarding the effort to place the PUD question before voters next year, much of the discussion centered on the condition of the water system and differences in rates charged by Rockwood Water District and Gresham.

Proponents of the PUD said that Gresham was not bound to withdraw annexed portions of the water district. They charged the city wants increased water revenue to pay for a 10 million-gallon reservoir under construction on Grant Butte.

City Manager Wally Douthwaite said the city had anticipated nearly doubling its water customers through the Rockwood withdrawal when it decided to build the reservoir.

Herb Brown, a water district customer and PUD sponsor, said the district would announce within the next few days a proposal that would give it storage capacity without the Grant Butte reservoir.

He also emphasized that a recent Multnomah County Circuit Court decision found Gresham's withdrawals were handled improperly under state procedures.

The next town hall meeting is scheduled for 7 p.m. Oct. 25 at the Teamster Local 162 office, 1850 NE 162nd Ave.



MULTNOMAH COUNTY OREGON

BOARD OF COUNTY COMMISSIONERS
ROOM 605, COUNTY COURTHOUSE
1021 S.W. FOURTH AVENUE
PORTLAND, OREGON 97204

GLADYS McCOY • CHAIR • 248-3308
PAULINE ANDERSON • DISTRICT 1 • 248-5220
GRETCHEN KAFOURY • DISTRICT 2 • 248-5219
RICK BAUMAN • DISTRICT 3 • 248-5217
SHARRON KELLEY • DISTRICT 4 • 248-5213
JANE McGARVIN • Clerk • 248-3277

October 30, 1989

TO: BOARD OF COMMISSIONERS
OTHER ELECTED OFFICIALS
DEPARTMENT HEADS

FROM: JANE McGARVIN, CLERK OF THE BOARD

SUBJECT: CHANGE OF MEETING DATES

Please note the following changes of Board meetings in November, and changes to the agenda deadlines:

1. Board Meeting November 16 will be combined with Tuesday, November 14 because of AOC Meeting.

Deadline for submission of materials through the Chair's Office is noon, Monday, November 6, for submittal by 5 PM and deadline for placement on the agenda through Commissioners is Noon, Wednesday, November 8.

2. The Formal meeting Thanksgiving week will be held Tuesday, November 21 at 9:30 AM.

Deadlines for submission of materials through the Chair's Office is noon, Monday, November 13, for submittal by 5 PM and deadline for placement on the agenda through Commissioners is Noon, Wednesday, November 15.

3. Wednesday, November 22, at noon is the deadline for submittal of agenda items on the agenda through Commissioners for the meetings the week of November 27 - December 1.

PLEASE CALL THE CLERK'S OFFICE IF YOU HAVE ANY QUESTIONS OR CONCERNS, OR THE DEADLINES ARE NOT CLEAR

NOTICE OF HEARING

The Multnomah County Board of Commissioners will hold a hearing on the boundaries of the proposed Rockwood Water Peoples Utility District on Tuesday, November 21, 1989, at 7:00 PM at the Reynolds Middle School Cafeteria, 1200 NE 201st, Troutdale, Oregon.

All interested persons may attend and will be heard. Testimony may be limited to 3 minutes per person. Written comments may be submitted to the Clerk of the Board's Office, 1021 SW Fourth, Room 606, Portland, OR 97204.

The petitioners statement, the proposed legal description and map of the proposed Rockwood Water PUD is as follows:

We, the registered voters of the affected district, desire to form an unincorporated PEOPLE'S UTILITY DISTRICT and request that the election be held on May 22, 1990 within the boundaries described below for the formation of such a district, to be created under the procedures set forth in ORS Chapter 261. The name by which the district is to be known is ROCKWOOD WATER PUD. It is hereby proposed that the ROCKWOOD WATER PUD, is formed, be authorized to impose a special levy of \$3,000 to finance the required engineer's report on revenue bonds for the acquisition or construction of the initial utility system, and to finance the election required under ORS 261.355(5) and (6). (F
^

In the event the people within any one or more municipalities or separate parcels of territory within the proposed district vote against its formation, then that portion of the district which voted in favor of the organization of the ROCKWOOD WATER PUD may be organized into the district.

INCLUDE MAP AND LEGAL DESCRIPTION

Persons with questions can call the Clerk of the Board's Office at 248-3277.

Very truly yours,

MULTNOMAH COUNTY BOARD OF COMMISSIONERS

Jane McGarvin, Clerk of the Board

jm
10/31/89

DIRECTIONS TO PETITION CIRCULATORS AND SIGNORS

Circulators:

A petition circulator must be an elector (registered voter) in Oregon.

Only one circulator may collect signatures on any one sheet of a petition.

The circulator of each sheet must complete the signature sheet affidavit at the bottom.

It is unlawful for you to knowingly make any false statement to any person who signs this petition or requests information about it.

Every petitioner must sign his or her own name. Under no circumstances may any person sign another person's name.

It is unlawful to circulate or file a petition, if you know it contains a false signature.

Signors:

You must be registered to vote and must live within the boundaries of the proposed district in order to validly sign this petition. SEE MAP ON THE ATTACHED PETITION.

Sign your name in full, as you wrote it when you registered to vote. Fill in the date signed, your residence, and your voter precinct number (if known). If your signature is hard to read, print your name on the same line.

A married woman should sign her own name, not her husband's name or his initials; for example: "Mary A. Jones", not Mrs. John A. Jones.

Do not use ditto ("") marks.

It is unlawful to sign a petition more than once, to knowingly sign a petition when not qualified to do so, or to sign any other person's name. Do not sign another person's name under any circumstances.

Please collect signatures of registered voters and return no later than September 15, to:

THE ROCKWOOD WATER PEOPLES UTILITY DISTRICT CAMPAIGN

2134 SE 174th
Portland, OR. 97233

1546 SE 138th
Portland, OR. 97233

FOR INFORMATION, CALL: BILL STALLINGS, JEAN HOOD or HERB BROWN
255-6211 761-8865 255-6478

PETITION FOR FORMATION OF A SPECIAL PEOPLE'S UTILITY DISTRICT

CHIEF PETITIONERS

Bill Stallings	Leo F. Effle	Herb Brown
14606 S.E. Harrison St.	14153 E. Burnside	1546 S.E. 138th
Portland, OR 97233	Portland, OR 97233	Portland, OR 97233

TO THE COMMISSIONERS OF MULTNOMAH COUNTY:

We, the registered voters of the affected district, desire to form an incorporated PEOPLE'S UTILITY DISTRICT and request that the election be held on May 22, 1990 within the boundaries described below for the formation of such a district, to be created under the procedures set forth in ORS Chapter 261. The name by which the district is to be known is ROCKWOOD WATER PUD. It is hereby proposed that the ROCKWOOD WATER PUD, is formed, be authorized to impose a special levy of \$3,000 to finance the required engineer's report on revenue bonds for the acquisition or construction of the initial utility system, and to finance the election required under ORS 261.355(5) and (6).

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MULTNOMAH COUNTY OREGON

BOARD OF COUNTY COMMISSIONERS
ROOM 605, COUNTY COURTHOUSE
1021 S.W. FOURTH AVENUE
PORTLAND, OREGON 97204

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RICK BAUMAN • DISTRICT 3 • 248-5217
SHARRON KELLEY • DISTRICT 4 • 248-5213
JANE McGARVIN • Clerk • 248-3277

Please publish the attached legal notice on Saturday, November 4,
and November 11.

Send notaried proof of publication to me

Jane McGarvin
Clerk of the Board
1021 SW Fourth, Room 606
Portland, OR 97204



MULTNOMAH COUNTY OREGON

BOARD OF COUNTY COMMISSIONERS
ROOM 605, COUNTY COURTHOUSE
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INCLUDE MAP AND LEGAL DESCRIPTION

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Very truly yours,

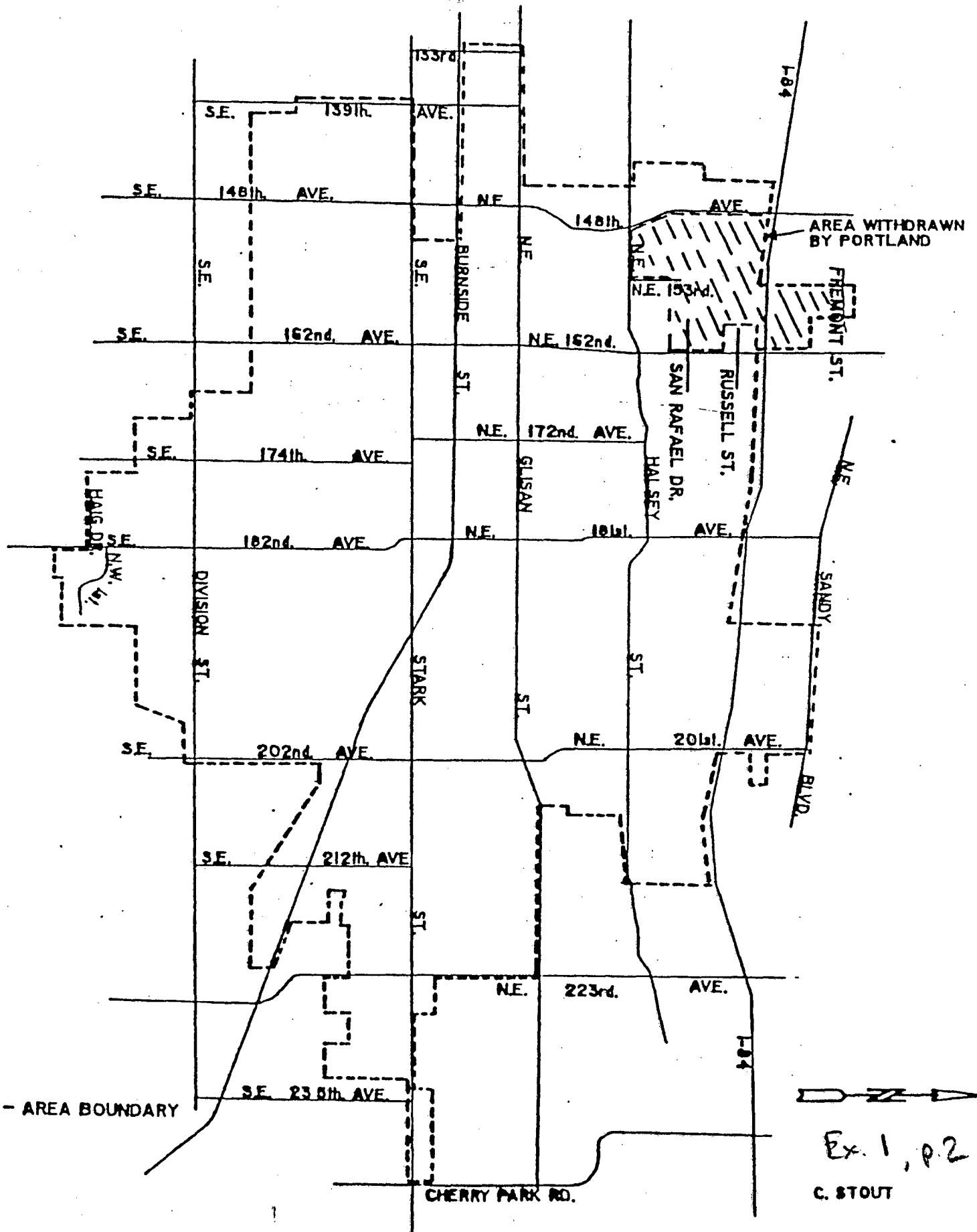
MULTNOMAH COUNTY BOARD OF COMMISSIONERS

Jane McGarvin
Jane McGarvin, Clerk of the Board

j^m
10/31/89

AN EQUAL OPPORTUNITY EMPLOYER

DESCRIPTION OF BOUNDARIES



The entire boundaries of the District shall lie within Multnomah County, beginning at the center line of SE 182nd Avenue approximately 1,950' north of the SW corner of Section 8, T 1 S, R 3 E; thence easterly 300'; thence northerly 170'; thence easterly 1,317'; thence northerly 20'; thence easterly 530'; thence northerly 420'; thence easterly 93'; thence northerly 1,450'; thence easterly 1,785'; thence north easterly 1,100'; thence easterly 193'; thence northerly 215'; thence easterly 660' to the NE corner of Section 8, T 1 S, R 3 E; thence northerly along the center line of 202nd Avenue 3,126'; thence easterly 720'; thence south easterly 590'; thence northeasterly 10'; thence southeasterly 84'; thence southerly 62'; thence easterly 102'; thence southeasterly 2,426'; thence easterly 1580'; thence northerly 610' to the center line of Burnside Street; thence northwesterly along said center line 1,630' to the intersection of the center lines of Burnside Street and Farris Road; thence easterly 560'; thence northerly 810'; thence westerly 825'; thence northerly 395'; thence easterly 264'; thence southerly 113'; thence easterly 557'; thence northerly 90'; thence easterly 1,330'; thence southerly 560'; thence easterly 980'; thence northerly 665'; thence easterly 805'; thence southerly 665'; thence easterly 875'; thence northerly 2,080'; thence easterly 2650'; thence northerly 460'; thence westerly 2,250'; thence southerly 242'; thence westerly 215'; thence southerly 215'; thence westerly 1,912'; thence northerly 537'; thence westerly 935'; thence northerly 2,800'; thence westerly along the center line of Glisan Street 4,150'; thence northerly 2,050'; thence easterly 970' along the center line of Halsey Street; thence northerly 1,800' to the southern right-of-way line of O.W.R. & N. Company; thence westerly along said right-of-way line to the centerline of 201st Avenue; thence northerly 715'; thence easterly 860'; thence northerly 258'; thence westerly 860'; thence northerly 1,375'; thence westerly along the center line of Sandy Boulevard 3,200'; thence southerly 1,865'; thence westerly along O.W.R. & N. Company to the center line of 181st Avenue; thence southerly 430'; thence westerly 320'; thence northerly 180'; thence generally westerly following the Interstate 84 southern right-of-way 2,020'; thence southerly 45'; thence north westerly 365'; thence westerly 450'; thence southerly 110'; thence westerly 1,680'; thence southerly 80'; thence westerly 860' more or less; thence southerly 550'; thence generally easterly 850'; thence southerly 1,500' more or less; thence westerly 880'; thence northerly 100'; thence westerly 150'; thence northerly 130'; thence westerly 300'; thence northerly 80'; thence westerly 870'; thence southerly 1,300' to the north right-of-way of NE Halsey; thence westerly 1,185'; thence generally north westerly to the western right-of-way line of NE 148th Ave.; thence generally northerly 2,800'; more or less; thence westerly 800' more or less; thence southerly 1,820'; thence westerly 850'; thence southerly 1,800'; thence easterly 1,010'; thence southerly 2,650'; thence westerly 3,695'; thence southerly 1,440'; thence easterly 5,310'; thence southerly 1,010'; thence westerly 3,980'; thence southerly 2,710'; thence easterly 650'; thence southerly 1,160'; thence easterly 4,335'; thence northerly 20'; thence easterly 335'; thence southerly 20'; thence easterly 665'; thence southerly 20'; thence easterly 670'; thence southerly 60'; thence easterly 1,330'; thence southerly 1,330'; thence easterly 700'; thence southerly 1,320'; thence easterly 1,020'; thence northerly 42'; thence easterly 370'; thence southerly 710'; thence easterly 330'; thence southerly 615'; thence easterly 1,655'; thence southerly 650' to the point of true beginning.

PUBLICATION				GALLEY		M.D.I.	DESK	OP.	DAY
SATURDAY				00				NK	11/1
								MN	11/1
								MAC	11/02
								bw	11/02
NAME		MULTNOMAH COUNTY	S.P.	305	CLASS	000	SIZE	02x18.00	
I.D. #	RUNDATE	AD#	SECT or PAGE I.D.	RUNDATE	AD#	SECT or PAGE I.D.	PROOFS		
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NOTICE OF HEARING

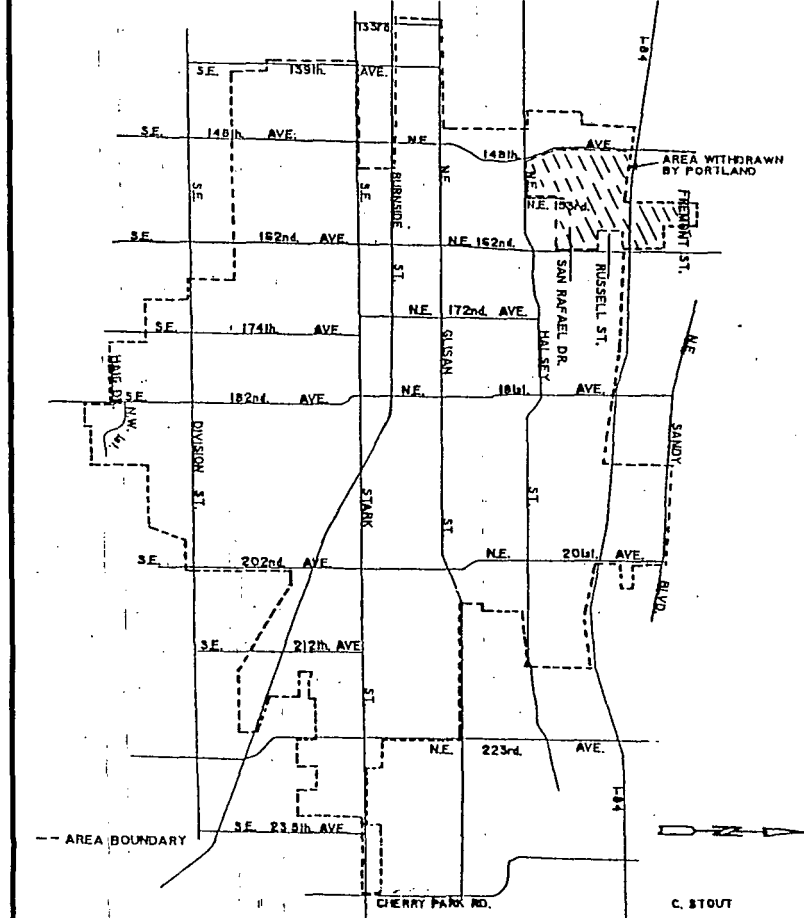
The Multnomah County Board of Commissioners will hold a hearing on the boundaries of the proposed Rockwood Water Peoples Utility District on Tuesday, November 21, 1989, at 7:00 PM at the Reynolds Middle School Cafeteria, 1200 NE 201st, Troutdale, Oregon.

All interested persons may attend and will be heard. Testimony may be limited to 3 minutes per person. Written comments may be submitted to the Clerk of the Board's Office, 1021 SW Fourth, Room 606, Portland, OR 97204.

The petitioners statement, the proposed legal description and map of the proposed Rockwood Water PUD is as follows:

We, the registered voters of the affected district, desire to form an unincorporated PEOPLE'S UTILITY DISTRICT and request that the election be held on May 22, 1990 within the boundaries described below for the formation of such a district, to be created under the procedures set forth in ORS Chapter 261. The name by which the district is to be known is ROCKWOOD WATER PUD. It is hereby proposed that the ROCKWOOD WATER PUD, is formed, be authorized to impose a special levy of \$3,000 to finance the required engineer's report on revenue bonds for the acquisition or construction of the initial utility system, and to finance the election required under ORS 261.355(5) and (6).

In the event the people within any one or more municipalities or separate parcels of territory within the proposed district vote against its formation, then that portion of the district which voted in favor of the organization of the ROCKWOOD WATER PUD may be organized into the district.



The entire boundaries of the District shall lie within Multnomah County, beginning at the center line of SE 182nd Avenue approximately 1,950' north of SW corner of Section 8, T 1 S, R 3 E; thence easterly 300'; thence northerly 170'; thence easterly 1,317'; thence northerly 20'; thence easterly 530'; thence northerly 420'; thence easterly 93'; thence northerly 1,450'; thence easterly 1,785'; thence north easterly 1,100'; thence easterly 193'; thence northerly 215'; thence easterly 660' to the NE corner of Section 8, T 1 S, R 3 E; thence northerly along the center line of 202nd Avenue 3,126'; thence easterly 720'; thence south easterly 590'; thence northeasterly 10'; thence southeasterly 84'; thence southerly 62'; thence easterly 102'; thence southeasterly 2,426'; thence easterly 1,580'; thence northerly 610' to the center line of Burnside Street; thence northwesterly along said center line 1,630' to the intersection of the center lines of Burnside Street and Farris Road; thence easterly 560'; thence northerly 810'; thence westerly 825'; thence northerly 395'; thence easterly 264'; thence southerly 113'; thence easterly 557'; thence northerly 90'; thence easterly 1,330'; thence southerly 560'; thence easterly 980'; thence northerly 665'; thence easterly 805'; thence southerly 665'; thence easterly 875'; thence northerly 2,080'; thence easterly 2,650'; thence northerly 460'; thence westerly 2,250'; thence southerly 242'; thence westerly 215'; thence southerly 215'; thence westerly 1,912'; thence northerly 537'; thence westerly 935'; thence northerly 2,800'; thence westerly along the center line of Glisan Street 4,150'; thence northerly 2,050'; thence easterly 970' along the center line of Halsey Street; thence northerly 1,800' to the southern right-of-way line of O.W.R.&N. Company; thence westerly along said right of way line to the centerline of 201st Avenue; thence northerly 715'; thence easterly 860'; thence northerly 258'; thence westerly 860'; thence northerly 1,375'; thence westerly along the center line of Sandy Boulevard 3,200'; thence southerly 1,865'; thence westerly along O.W.R.&N. Company to the center line of 181st Avenue; thence southerly 430'; thence westerly 320'; thence northerly 180'; thence generally westerly following the Interstate 84 southern right-of-way 2,020'; thence southerly 45'; thence north westerly 365'; thence westerly 450'; thence southerly 110'; thence westerly 1,680'; thence southerly 80'; thence westerly 860' more or less; thence southerly 550'; thence generally easterly 850'; thence southerly 1,500' more or less; thence westerly 880'; thence northerly 100'; thence westerly 150'; thence northerly 130'; thence westerly 300'; thence northerly 80'; thence westerly 870'; thence southerly 1,300' to the north right-of-way of NE Halsey; thence westerly 1,185'; thence generally north westerly to the western right-of-way line of NE 148th Ave.; thence generally northerly 2,800'; more or less; thence westerly 800' more or less; thence southerly 1,820'; thence westerly 850'; thence southerly 1,800'; thence easterly 1,010'; thence southerly 2,650'; thence westerly 3,695'; thence southerly 1,440'; thence easterly 5,310'; thence southerly 1,010'; thence westerly 3,980'; thence southerly 2,710'; thence easterly 650'; thence southerly 1,160'; thence easterly 4,335'; thence northerly 20'; thence easterly 335'; thence southerly 20'; thence easterly 665'; thence southerly 20'; thence easterly 670'; thence southerly 60'; thence easterly 1,330'; thence southerly 1,330'; thence easterly 700'; thence southerly 1,320'; thence easterly 1,020'; thence northerly 42'; thence easterly 370'; thence southerly 710'; thence easterly 330'; thence southerly 615'; thence easterly 1,655'; thence southerly 650' to the point of true beginning.

Persons with questions can call the Clerk of the Board's Office at 248-3277.

JANE McGARVIN
CLERK OF THE BOARD
1021 SW FOURTH, ROOM 606
PORTLAND, OR 97204



MULTNOMAH COUNTY OREGON

OFFICE OF COUNTY COUNSEL
1120 S.W. FIFTH AVENUE, SUITE 1530
P.O. BOX 849
PORTLAND, OREGON 97207-0849
(503) 248-3138

BOARD OF COUNTY COMMISSIONERS
GLADYS McCOY, CHAIR
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COUNTY COUNSEL
LAURENCE KRESSEL

CHIEF ASSISTANT
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SANDRA N. DUFFY
J. MICHAEL DOYLE
H. H. LAZENBY, JR.
PAUL G. MACKAY
MARK B. WILLIAMS

MEMORANDUM

TO: Jane McGarvin
Clerk of BCC

FROM: Laurence KresSEL *(Signature)*
County Counsel (106/1530)

DATE: November 13, 1989

RE: Hearing on Proposed Rockwood PUD

1989 NOV 15 AM 11:10
MULTNOMAH COUNTY
OREGON
COUNTY COMMISSIONERS

The Board has scheduled November 21, 1989 as the hearing date to determine the Rockwood PUD boundaries. You have asked whether the hearing can be adjourned and on what date the Board must take final action on the boundaries.

These questions are controlled by ORS 261.161 (copy attached).
The rules are as follows:

1. The hearing on the boundaries must take place within 90 days after the petition to form the PUD is certified. In this instance, the hearing deadline is November 30th.
2. The hearing can be adjourned, but cannot exceed four weeks.
3. The final action on the boundaries must be taken within 10 days of the last date of hearing. In other words, the Board need not determine the boundaries at the public hearing. It can close the public hearing and deliberate on the boundaries later on (in open session, of course), so long as the 10 day rule is met.

Jane McGarvin
November 13, 1989
Page 2

As you can see from reading ORS 261.161, the statute provides little guidance as the Board's task at the public hearing is or the form for its final action. . It simply requires the Board to determine the boundaries based on the record of the hearing and the report issued by the Department of Energy. (ORS 261.161(3) prevents the Board from adding land to the proposed PUD boundaries without written landowner consent.)

By a copy of this memorandum, I am inviting the interested parties to submit to me memoranda on any legal issues they feel should be addressed regarding the boundary determination. I will advise the Board prior to the hearing.

cc: Board of Commissioners
Fred Neal
Frank Josselson, Attorney for Chief Petitioners
Tom Sponsler, Gresham City Attorney
Ruth Spetter, Assistant City Attorney, Portland

proposed boundaries and, if district formation is proposed, the report of the Director of the Department of Energy under ORS 261.151, the county governing body within 10 days of the last date of hearing shall determine the boundaries of the proposed or established district.

(3) No lands shall be included in the boundaries fixed by the governing body lying outside the boundaries described in the electors' petition unless the owners of that land request inclusion in writing before the hearing under subsection (1) of this section is completed.

(4) An electors' petition shall not be denied by a county governing body because of any deficiency in the description of the boundaries of the proposed district, but the county governing body shall correct those deficiencies. [1979 c.558 §13]

261.165 [Repealed by 1979 c.558 §30]

261.170 [Repealed by 1979 c.558 §30]

261.171 County governing body to call election; notice; dates. (1) Upon its own resolution, the county governing body may, and upon receipt of an electors' petition or resolution of the governing body of a district or municipality which the county governing body finds to be in compliance with this chapter shall, at the earliest practical date submit the question of district formation, annexation or consolidation and, if for formation, the question of a special levy, to the electors within the affected territory at a special election. The special election may be held on the same date as a biennial regular primary or general election.

(2) The notice of the election shall state the purpose of the election, describe in general terms the boundaries of the affected territory and in all other respects comply with the general laws of this state governing the time and manner of holding elections.

(3) The county governing body shall call no more than one election for formation of a district comprising substantially the same area within the same calendar year. [1979 c.558 §14]

261.175 [Repealed by 1979 c.558 §30]

261.180 Effect of annexation or consolidation on title to property and indebtedness. (1) Where a parcel of territory or municipality is annexed to an existing district, or two or more districts are consolidated, such annexation or consolidation shall not affect or impair the title to any property owned or held by any such district or districts, or of a municipality annexed, or in trust therefor, or any debts, demands, liabilities or obligations existing in favor of or against either the district or municipality so annexed.

(2) The acceptance of any indebtedness at the election to determine the question of annexation shall not include any indebtedness except such as has been incurred or assumed on account of development or purchase of a utility.

261.185 [Amended by 1973 c.796 §10; repealed by 1975 c.647 §53]

261.190 Qualifications; election of first board of directors; tenure. (1) At all elections where the creation of a district is authorized, five directors shall be elected to manage and transact the business of the district.

(2) Candidates for the office of director must be electors of this state, must have resided in the proposed district continuously for not less than two years next preceding the date of the election, and must continue to reside in the district during their term of office.

(3) All electors of the proposed district shall have the right to vote for five candidates at the election.

(4) The five candidates receiving the highest number of votes in the area approved by the electors and declared by the county governing body to be a district shall be elected to serve until the first Monday in January after the first regular biennial general election which occurs not less than one year following the election to create the district, and until their successors are elected and qualified. [Amended by 1973 c.796 §11; 1975 c.598 §4; 1979 c.558 §16]

261.195 [Amended by 1973 c.796 §12; repealed by 1975 c.647 §53]

261.200 Proclamation of district formation or boundary change; special levy; property owner petition. (1) If a majority of votes cast at the election favor formation of the district and authorization of the district to impose a special levy for the purposes stated in the petition for formation, or annexation of a parcel of territory or a municipality to an existing district, or consolidation of two or more districts, as the case may be, and in conformity with provisions of ORS 261.105 and 261.110, the county governing body shall issue a proclamation accordingly and file a certified copy with the county clerk of each county where the district or any portion thereof is located. The proclamation for formation of a district shall be in substantially the following form:

Whereas at an election duly and regularly held on the — day of —, A.D. 19—, within — County (or — Counties), State of Oregon, and within the boundaries of a

261.147 PUBLIC ORGANIZATIONS FOR COMMUNITY SERVICE

(2) Resolutions authorized under this section shall describe the boundaries of the affected territory and, if for formation or consolidation of a district or districts, the name by which the proposed district is to be known. [1979 c.558 §11].

261.145 [Repealed by 1979 c.558 §30]

261.147 Resolution to remove territory not served by district; hearing; notice; election on question of removal; effect of removal. (1) When any parcels of territory within an existing district are not being served by the district, the board of directors of the district may fix a place and time for a public hearing to consider the removal of such parcels from the district.

(2) Notice stating the time and place of the hearing shall be published in accordance with ORS 261.161 (1). The hearing may be adjourned from time to time, but shall not exceed four weeks in length. Public testimony shall be taken at the hearing.

(3) Upon conclusion of the public hearing the board may by resolution remove such parcels, or any of them, from the district. The resolution shall become effective 30 days after passage, unless written requests for an election are filed as provided by subsection (4) of this section.

(4) If written requests for an election are filed with the board within 30 days after passage of the resolution by not less than 15 percent of the electors or 100 electors registered in the parcels to be removed, whichever is the lesser number, an election on the question of removal of the parcels described in the resolution shall be held on the next scheduled general or special election date.

(5) The electors eligible to vote in the election described in subsection (4) of this section shall be those electors who reside on the parcels described in the resolution.

(6) From the date of removal, liability of the territory removed from the district for assessments and taxes levied after the date of removal by the district and for bonded and other indebtedness shall be in accordance with ORS 198.880 and 198.882. [1987 c.824 §3]

261.150 [Repealed by 1979 c.558 §30]

261.151 Hearing on district formation by Director of Department of Energy; notice; report by director. Upon certification of a petition for formation or adoption of a resolution by the county governing body for district formation, the county clerk shall submit a copy of the resolution or petition, without signatures attached, to the Director of the Department of Energy. Not less than 30 days after

receipt of the petition or resolution copy, the director shall hold a hearing within the proposed district for the purpose of receiving public testimony on the proposed district formation. Notice of the hearing, stating the time and place of the hearing, together with the electors' petition, when applicable, without the signatures attached, shall be published at least two times prior to the date of the meeting. The first publication shall not be more than 25 days nor less than 15 days preceding the hearing and the last publication shall not be more than 14 days nor less than eight days preceding the hearing. Within 60 days after receipt of the petition or resolution copy, the director with the advice and assistance of the Public Utility Commission of Oregon shall prepare and publish a concise report showing the availability and cost of power resources, potential tax consequences and any other information considered by the director to be relevant to the proposed formation of the district. A copy of the report shall be mailed, upon publication, by the director to the county governing body. [1979 c.558 §12a]

261.155 [Repealed by 1979 c.558 §30]

261.160 [Repealed by 1979 c.558 §30]

261.161 Hearing by county governing body; notice; determination of boundaries.

(1) After certification of a petition, or passage of the resolution when the formation, annexation or consolidation proposal is by resolution of the county governing body, the county governing body shall, within 10 days, fix a date for a hearing on the boundaries described in the electors' petition or resolution of the county governing body for inclusion in the proposed or established district. The hearing shall be held by the county governing body not less than 60 days nor more than 90 days after certification of the petition or passage of the resolution. Notice of the hearing, stating the time and place of the meeting, together with the electors' petition, when applicable, without the signatures attached, shall be published at least two times prior to the date of the meeting. The first publication shall not be more than 25 days nor less than 15 days preceding the hearing and the last publication shall not be more than 14 days nor less than eight days preceding the hearing. Notice of the hearing, and all other publications required by this chapter, shall be published in at least one newspaper of general circulation in the proposed or established district. The hearing may be adjourned from time to time, but shall not exceed four weeks in total length. Public testimony shall be taken at the hearing.

(2) Based upon the record of the hearing prescribed in subsection (1) of this section on the

**Report on the Proposed Rockwood Water
People's Utility District**

**Oregon Department of Energy
Salem, Oregon**

November 9, 1989

November 9, 1989

Report on the Proposed
Rockwood Water Peoples' Utility District

Oregon Department of Energy
Salem, Oregon

Introduction

Pursuant to ORS 261.151 the Oregon Department of Energy (ODOE) has written this report on the proposed Rockwood Water Peoples' Utility District (Rockwood PUD). The report sets forth ODOE's comments on the availability and cost of water to the proposed district. It also comments on the tax effects if such a district is formed. The report is based on ODOE's own data, and information taken at a public hearing. ODOE is aided by the Public Utility Commission staff in writing this report. But, the conclusions herein are solely ODOE's.

Background

Creation of a PUD is authorized by Article IX, Section 12 of the Oregon Constitution as implemented by ORS Chapter 261. By law, ODOE must conduct a public hearing after a petition to form a PUD has been filed with and certified by the County. Changes made by the 1979 Legislature limit ODOE's duties. This report does not take the place of an engineering study; it is not an in-depth economic feasibility study; it is not advice on whether a PUD should be formed.

A petition to form a PUD was filed with Multnomah County on August 31, 1989. It was certified by the County on September 1, 1989. The County sent the petition to ODOE on September 12, 1989, and it was received by the Oregon Department of Energy on September 14, 1989. The PUD would include portions of Multnomah County generally covered by the existing Rockwood Water District, although not completely so. The proposed PUD's boundaries would be roughly 141st Avenue on the west, Interstate 84 on the north, 235th Avenue on the east, and Southeast Division Street on the south.

Summary of Major Issues

Under ORS 261.151, the Department is required to conduct a hearing and issue a concise report not less than thirty days nor more than sixty days after receipt of the petition. The Department's window began on October 14, 1989, and ends November 13, 1989, both to hold a hearing and complete its report. By statute, the Department is directed to write a concise report ". . . showing the availability and cost of power resources, potential tax consequences, and any other information considered by the Director to be relevant to the proposed formation of the District."

While the wording of Section 261.151 in terms of issues appears to imply electricity, in fact the Department is charged with conducting a hearing and writing a report on petitions to form all PUDs. PUDs, once formed, can provide electricity or water service. There is no restriction, once a PUD is formed, on any of the services authorized by ORS Chapter 261. Specifically, ORS 261.305 provides that PUDs may ". . . acquire, develop, and otherwise provide for a supply of water for domestic and municipal purposes, waterpower, and electric energy, or electric energy generated from any utility, and to distribute, sell, or otherwise dispose of water, waterpower, and electric energy within or without the territory of such districts."

The issues discussed at the October 16, 1989 hearing were limited to formation of a PUD to replace the water service provided by Rockwood Water District. In fact, no one provided testimony that the intent was to provide electric service. To the contrary, the PUD sponsors made it clear that their intent was to provide only water service. The PUD sponsors confirmed this intent further in written correspondence to ODOE after the hearing. In fact, all the information which ODOE received has focused exclusively on water service. Nevertheless, a PUD when formed would probably have the legal authority to offer water or electric service.

Summary of the Hearings

Presentations were made by the Rockwood PUD sponsors and by the City of Gresham.

The PUD sponsors believe that the Rockwood Water PUD would be able to continue the service provided by Rockwood Water District. The Water District staff and Board of Directors support formation of the PUD. Some of the chief petitioners of the proposed PUD are directors of the Rockwood Water District. The District believes that formation of the PUD is a desirable alternative to annexation by other cities, principally the City of Gresham and the City of Portland.

The City of Gresham responded that formation of a PUD would not insure service as reliable as annexation and service by the City of Gresham. The City also pointed out a long-standing agreement between the City and Rockwood Water District about the gradual withdrawal of service by the District and takeover of service by the City of Gresham.

In addition to the PUD sponsors and the City of Gresham, all other people who wished to testify or present a statement were allowed to do so. About 15 people spoke at the hearing. It ran from 7 p.m. to about 9:45 p.m. on October 16, 1989.

Written information was also provided after the hearing by the PUD supporters among others. The Department also received written information from the City of Portland opposing the PUD and supporting annexation.

Discussion of Major Issues

Supply and Cost of Power and Water

Provision of electricity was not an issue in this hearing. No information was provided on it.

Both Rockwood Water District and the City of Gresham provided testimony on their respective sources of water. These include, among others, the Bull Run watershed (through contracts with the City of Portland), and agreements with other cities and municipal corporations. In general, it appears that the Rockwood PUD and the City of Gresham would have access to adequate supplies of water.

Sufficient storage capacity was raised as a concern in the hearing. In fact, the Rockwood PUD proponents raised the issue with respect to the City of Gresham. And, the City of Gresham raised the issue with respect to Rockwood Water District. Each side provided engineering studies and financial studies in support of their positions.

In contrast to most PUD petitions the Department has confronted, this petition does not primarily involve whether a PUD would provide cheaper rates than the utility providing the existing service. What is really involved in this proceeding is a question of annexation by local governments.

However, rates for service were an issue. For example: Rockwood Water District's residential rates are less than the City of Gresham's but Rockwood's commercial rates are higher than Gresham's.

The City of Gresham points out that it has made substantial improvements in anticipation of incorporating the Rockwood Water District pursuant to an interagency agreement signed in 1984. The contract expired this year. There was dispute in the hearing as to why it expired and was not renewed. The cost of those improvements is in part the reason that Gresham's rates, at least for homeowners, are higher than the Rockwood Water District's.

Setting rates involves a lot of flexibility and variables, including the need for capital reserves. The City of Gresham currently has a substantial reserve set aside for capital improvements. The Rockwood Water District also has a reserve for capital improvements. Both reserves appear to be reasonable to meet the needs of the systems. Both systems provide adequate service. Both also appear to have reasonable approaches to providing future service.

However, each side disputed the long-range plan of the other and the ability to meet that plan without significantly raising rates. Because of the variables involved in establishing rates, the Department cannot easily conclude whether a PUD's water rates would be more or less for each class of customer than future water rates of the City of Portland or the City of Gresham.

The only clear adverse rate impact caused by the annexation plan would be to a small portion of the Rockwood Water District that would not be incorporated into Portland or into Gresham if the current annexation plans are completed. This unincorporated area is about 25% of the current water district. This area would carry 100% of the current district's financial obligations, which could double rates for that area. This kind of result would be inequitable and does not represent good water policy, good economic policy or good annexation policy. If annexation goes forward, this issue needs to be addressed so that the citizens not incorporated by either Portland or Gresham are not so severely impacted by the actions of those municipalities.

Unresolved Legal Issues

The proposed PUD is primarily an attempt to defeat annexation plans. The Rockwood Water District would largely, but not entirely, be incorporated and annexed by the City of Gresham or by the City of Portland under current annexation plans. The Rockwood Water District opposes annexation and is using the vehicle of a PUD to try to prevent it. Whether formation of a PUD would prevent the area from being annexed by Gresham and by Portland is unclear under current Oregon law.

Changes by the 1989 Legislature also modify the process for certifying petitions to form Peoples' Utility Districts. For the first time, the boundary commissions may be involved. The Attorney General's office has looked at this issue at ODOE's request.

Specifically, the Attorney General's office provided the following analysis:

The local government boundary commission statutes were amended by the last session of the legislature. (Oregon Laws 1989, chapter 92.) Under these amendments, boundary commissions now have authority to consider proposals to establish any district, including a PUD, which supplies or seeks to supply domestic water. Oregon Laws 1989, chapter 92, § 10 (amending ORS 199.420).

The Act amending ORS 199.420 became effective on October 3, 1989. The Rockwood PUD petition was certified by the Multnomah County Elections Division on September 1. Nonetheless, there is at least some question regarding whether the boundary commission has jurisdiction to review the Rockwood PUD proposal. The Multnomah Board of County Commissioners has not transferred the certified petition to the boundary commission, however, and it appears that the County intends to proceed on the assumption that this petition is not subject to boundary commission review.

Litigation is pending currently over the City of Gresham's annexation plans. Information was introduced on the litigation at the hearing. That litigation, as well as interpretations of the changes made by the 1989 Legislature, will need to be resolved before the ultimate fate of the annexation plans can be resolved.

There is also a question as to whether a Water PUD could provide irrigation service to the current irrigation customers of Rockwood Water District. The Public Utility Commission staff has pointed out that ORS 261.010(6) which governs PUDs limits the definition of a utility to preclude irrigation or reclamation purposes. The transmission of water for irrigation by the PUD would probably have to be a separate type of operation. What impact that would have on voting rights, PUD taxes, separate rate structures, and other considerations are unclear at this point.

It is not clear how this provision interrelates to other chapters of Oregon law regarding water service. For example, ORS Chapter 225 involves municipal utilities; ORS Chapter 264 involves water supply districts, ORS Chapters 545, 548 and 554 involve irrigation districts, and ORS Chapter 552 involves water improvement districts.

Because of the limited nature of ODOE's review, resolution of the legal questions raised by these different provisions is beyond the scope of this report. However, ODOE encourages the proponents and opponents of the proposed PUD to explore these issues completely.

Regardless of the legal uncertainties, ultimately whether the cities or the PUD would provide better service is problematic. Each is capable of providing adequate service. Whether the citizens are better served over-all by annexation or by continuing as an unincorporated area, present issues beyond this Department's jurisdiction. Ultimately those issues must be decided by judgments the voters make, taking into account considerations other than energy and water after the legal issues mentioned above are resolved.

Taxing Authority of the District

Under Oregon law, a PUD has the power to levy and collect property taxes after its formation but before its activation. Tax revenues would be used to pay operating expenses such as engineering, financial, and legal fees while the system acquisition is under study. In any one year the tax cannot exceed 1/20th of one percent of the true cash value of all taxable property within the District. Over the permitted ten-year span the tax cannot exceed in the aggregate 1/4th of one percent of the true cash value.

Tax Effects

The tax effects of forming a PUD to replace the Rockwood Water District are probably insignificant. The Rockwood Water District is a municipal corporation under Oregon law. As such, the District can raise revenues through water bills. It also can assess a property tax. A PUD could do the same if necessary.

Conclusion

This report makes no recommendation regarding the formation of the proposed Rockwood PUD. Either the formation of the PUD or the annexation of the existing Rockwood Water District service area by the cities of Portland and Gresham would likely provide a similarly acceptable level of service to the citizens involved. It is not clear whether rates for all classes of customers would necessarily be higher or lower choosing either option of service.

The issues that determine whether a PUD should be formed in this case do not involve energy issues. Instead, they involve local control, annexation, and local boundary issues beyond the scope of this report. The 1984 agreement between the Rockwood Water District and Gresham provided for arbitration of disputes between the parties. It is unfortunate that arbitration to resolve these problems did not take place. The disagreements between the Rockwood Water District and Gresham might not have occurred if arbitration had been used.

LAW OFFICES OF
JOSSELYN, POTTER & ROBERTS

53 S.W. YAMHILL STREET
PORTLAND, OREGON 97204

TELEPHONE (503) 228-1455
FACSIMILE (503) 228-0171

November 16, 1989

BOARD OF
COUNTY COMMISSIONERS
1989 NOV 20 AM 11:04
MULTNOMAH COUNTY
OREGON

Mr. Laurence Kressel
County Counsel
Multnomah County
1120 S.W. Fifth Ave., Suite 1530
Portland, OR 97207-0849

Re: Rockwood Water PUD

Dear Mr. Kressel:

We have received a copy of your November 13, 1989 memorandum to Ms. McGarvin. We were disappointed that your memorandum did not point out that at the hearing on the PUD boundary, the Board may not exclude territory from the boundary proposed in the petition.

The hearing contemplated by ORS 261.161 is limited. The statute delegates to the Board only two functions at the hearing: (1) to add land to the boundary described in the petition where "the owners of that land request inclusion in writing before the hearing [is concluded]"; and (2) to correct "any deficiency in the description of the boundaries of the proposed district." ORS 261.161(3) and (4).

Under ORS 261.171(1), "upon receipt of an elector's petition ... which the county governing body finds to be in compliance with this chapter," the Board has a mandatory duty, enforceable by writ of mandamus under ORS 261.220, to "submit the question of district formation ... to the electors within the affected territory at a special election" The only predicate to the calling of the election within the "affected territory" is that the petition be in compliance with ORS Ch. 261, which your county elections officer determined to be the case on September 1, 1989. The term "affected territory" is defined as "that territory proposed to be formed into ... a district." ORS 261.010(g). It is of course the petition that describes the territory proposed to be formed into the district, or "the boundaries of the proposed people's utility district." ORS 261.110(2).

Obviously, if the county board were entitled to eliminate territory, it could defeat the petition and petitioning process.

JOSSELSON, POTTER & ROBERTS

November 16, 1989

Page 2

If the legislature had intended to give the Board power to overrule PUD petitioners and re-write the petition, it would have done so expressly. "It is elementary that the authority for an agency's administrative acts must be found in an enabling statute." Laughlin v. School District No. 1, Multnomah County, 69 Or. App. 63, 71, 686 P.2d 385 (1984) review denied 298 Or 597. The Board's power to act on this PUD, like any delegated power, "arises from and cannot go beyond that expressly conferred upon it." Pacific NW Bell v. Sabin, 21 Or. App. 200, 213, 534 P.2d 984 (1975).

We hope these principles are sufficiently obvious that there will be no dispute about the extent of the Board's authority with respect to the boundary.

Respectfully submitted,



Frank Josselson

FJ/cb

cc: Chief Petitioners

Multnomah County Commissioners

BOARD OF
COUNTY COMMISSIONERS

1989 NOV 20 AM 10:33

MULTNOMAH COUNTY
OREGON

In the _____ Court of the State of Oregon
for the County of Multnomah

vs. Plaintiff

Defendent

Affidavit of Publication

STATE OF OREGON

County of Multnomah

I, CHARLENE WHARTON

being first duly sworn depose and

say that I am the Principal Clerk Of The Publisher of The Oregonian, a newspaper of general circulation, as defined by ORS 193.010 and 193.020, published in the City of Portland, in Multnomah County, Oregon; that the advertisement, a printed copy of which is hereto annexed, was published without interruption in the entire and regular issues of The Oregonian for ONE

~~successive and consecutive~~ ISSUE on the following dates: 11/11

MULTNOMAH COUNTY OREGON
BOARD OF COUNTY COMMISSIONS

Subscribed and sworn to before me this 17TH day of NOVEMBER 1989

F-1703

My Commission expires:

Shirley Kalhar
Notary Public for Oregon
SHIRLEY KALHAR
NOTARY PUBLIC - OREGON
My Commission Expires 7/28/90

1
April 21, 1989

To: County Commissioners

the map as outlined in the
meeting held tonight does not
include current customers of the
Rockwood Water District residing on
N.E. Marine Drive, namely,
Dorothy Weatherston
18601 N.E. MARINE DRIVE
and
DUCKS MOORAGE
18699 N.E. MARINE DRIVE

I hereby request to be included
in the proposed PUD.

Dorothy Weatherston
OR that the description of the area
state that ALL CURRENT CUSTOMERS
are included.



CITY OF
PORTLAND, OREGON

OFFICE OF CITY ATTORNEY

Jeffrey L. Rogers, City Attorney
1220 S.W. 5th Avenue
Portland, Oregon 97204
(503) 248-4047

November 21, 1989

INTEROFFICE MEMORANDUM

TO: Larry Kressel
Multnomah County Counsel

FROM: Ruth Spetter *RS*
Senior Deputy City Attorney

SUBJ: Rockwood P.U.D. - Board of County Commissioner's
Authority and Obligation Regarding Exclusion of
Territory

This memorandum is submitted pursuant to your suggestion.

Background

Pursuant to ORS 261 a petition for a People's Utility District (P.U.D.) has been filed with the Board of County Commissioners for a determination of the district's boundaries. The City of Portland believes that the following territory should be excluded from the proposed district's boundaries.

1. Territory which has been annexed and withdrawn by the City;
2. Territory which has been annexed by the City; and
3. Territory not annexed to the City but within its Urban Services Boundary.

The policy reasons for exclusion deal with important issues of future development of the region and the unnecessary duplication of services. These issues will not be further addressed here but rather will be addressed in detail in the City's testimonial submittal to the Board.

This memorandum will deal with the Board's express authority and obligation to actually determine the P.U.D.'s boundaries -- not just rubber stamp the boundaries in the petition.

COUNTY BOARD OF COMMISSIONERS'
AUTHORITY TO EXCLUDE TERRITORY

A. GENERALLY

1. Must Be Implied: Authority By Implication Is Lawful.

In School Dist. No. 68 v. Hoskins et al, 194 Or 301, 240 P2d 949 (1952) the District Boundary Board was authorized by the State Legislature to change school district boundaries. The authorizing law did not provide for a hearing prior to such a change. The law did, however, require the Board to post notices of the proposed boundaries and the date of the Board's meeting when such a decision would be made.

From the statutory requirement that notice be posted, the Oregon Supreme Court implied an obligation by the Board for a hearing and also that it make its decision based upon the information provided during that hearing. Specifically, the Court held, in part, as follows:

"By the express terms of this statute [n]o provision is made for the remonstrances against the proposed change . . . nor are any standards fixed for guidance of the . . . Board in making its determination. In fact, no direct provision is made for a hearing before the Board. However, inasmuch as the law requires the posting of notices, it may be implied therefrom that the legislature intended a hearing should be held; and that persons opposed to any . . . change have the right to remonstrate and to present evidence in opposition; and that the Board in determining [a school district's boundaries] should give consideration to the entire record. If this were not the intent, . . . the posting of notices would serve no purpose whatever." (Emphasis added.)

194 Or at 312.

Thus, it is lawful and right, under the appropriate circumstances, to imply obligations for full hearing and a determination based upon the information acquired at such a hearing.

As discussed in Section "A.2" of this memorandum the P.U.D. statute, (ORS Chapter 261), requires the commission to follow procedures which imply not only the commission's authority to exclude territory when its inclusion is not in the public interest, but also its obligation to do so.

2. ORS 261.161 Authorizes and Obligates the Board of County Commissioners to Hold a Hearing, Consider Requests for Exclusion from the Proposed P.U.D. and To Make a Decision Based Upon the Record and the Public Interest.

Unlike the limited statutory guidance provided in the statute regarding school districts, described in the Hoskins case, ORS 261.161 provides a considerable amount of guidance regarding the Board's obligation to determine the boundaries of a proposed P.U.D.

Specifically, the Board of County Commissioners are obligated to do the following:

- a. Give notice of a hearing on the proposed P.U.D. boundaries.
- b. Publish the notice.
- c. Hold up to four weeks of testimony regarding the P.U.D. boundaries.
- d. Take public testimony at the hearing.
- e. Make a determination based upon the record of the hearing, and
- f. Upon the report of the Director of the Department of Energy (ODOE).
- g. Correct deficiencies in the description of the boundaries of the proposed district.

The Board's obligation is expressly stated in this statute. That is, to make a decision based on the information provided at the hearing as well as the report from the Director of the Department of Energy. Unquestionably, the Board is not a rubber stamp for the petition presented for review. If the Board's only obligation was to be a rubber stamp there would be no need for a hearing and no requirement that it make a determination based

upon the information provided to it during the hearing and ODOE's Report. The Board is authorized and is obligated to make a determination regarding the inclusion or exclusion of property proposed in the petition. There is no question that the courts would find to this effect. Consider, in a case where statute required no more than that notice be posted, the Oregon Supreme Court found an obligation for a hearing so that person opposed could remonstrate and present evidence in opposition to inclusion within a district and an obligation for a determination based upon the information provided during the hearing. Under ORS 261.161, the Board's obligations for all of the above and more are expressly provided for.

The power to exclude property is properly and lawfully implied in this statute, which requires a consideration of all the information provided during the hearing and a decision based on that information.

This reading of the statute is further supported by the plain meaning of the word "determine." The county governing body must "determine the boundaries" of the proposed district. As defined by Websters, "determine" means "to set bounds or limits to; to fix the boundaries of; to limit in extent, scope, etc." Websters International Dictionary, 2d Ed (1950). The word is used explicitly to mean fixing boundaries in the sense of limiting their extent, by excluding territory, for example.

The only prohibition expressly placed upon the Board is a prohibition against the inclusion of additional territory without written request from such territory. There is no statutory prohibition against the exclusion of property.

3. The Board Is Not Without Standards For Making Its Determination.

The standard by which the Board of County Commissioners is always bound is that any action taken be in the public interest. Therefore, the Board has authority to consider policy issues which will be brought before it in making its determination of what territory it is within the public interest to include and what territory it would be in the public interest to exclude.

Relevant issues in this case might be urban services planning, service expectations of those who chose to be annexed to the City, rate differences and other issues raised during the hearing. The Board is authorized to make public interest decisions on such issues as it determines the proper boundaries. It is the Board's obligation under the statute to do so.

In addition, the Board is authorized to correct deficiencies in the boundaries. ORS 261.161(4).

B. BOARD OF COUNTY COMMISSIONERS MAY APPROPRIATELY EXCLUDE ALL PORTLAND PROPERTY INCLUDED WITHIN THE P.U.D. PROPOSED BOUNDARY.

The proposed P.U.D. currently includes property which has been annexed and withdrawn by the City of Portland, annexed by the City and also property which is simply within the City's urban services boundary. If the Board is convinced that it would be in the public interest to exclude any of this property it has the authority and the obligation to do so. This is especially true for the property which has been annexed and withdrawn from the Rockwood Water District.

The Board must realize that the history of the P.U.D. statute is one of enabling people to create utility districts when territorial limits of municipal operation limited the area which could be served. 20 Or. L.Ed. 3 (1940). There is no issue regarding the City's ability to provide service in this case. Furthermore, there is a strong statutory prohibition against a P.U.D.'s interference with existing municipal utilities.

ORS 261.030 specifically provides that "nothing [in Chapter 261] . . . authorizes or empowers the board of directors of any district to interfere with or exercise any control over any existing utility owned and operated by any . . . municipality" without the consent of the governing body of the municipality.

ORS 222.540 mandates that once a portion of a district has been withdrawn the district is obligated to, (i.e. the statute provides that "the district shall"), turn over to the City all of its water facilities not necessary for operation of the remainder of the district. In other words, once withdrawal is complete some portion of the system becomes a part of the municipality's system. A P.U.D. board unilaterally attempting to incorporate such property within a P.U.D. would be in violation of ORS 261.030. It makes no sense to include that property within the district's boundaries when the statute makes it illegal for the district to interfere with or exercise any control over such facilities after incorporation.

The only issue left to be decided in regard to the City's withdrawal of the Rockwood territory is which portion of the district's facilities must be retained by the district as necessary for the rest of its system.



MULTNOMAH COUNTY OREGON

BOARD OF COUNTY COMMISSIONERS
ROOM 605, COUNTY COURTHOUSE
1021 S.W. FOURTH AVENUE
PORTLAND, OREGON 97204

GLADYS McCOY • Chair • 248-3308
PAULINE ANDERSON • District 1 • 248-5220
GRETCHEN KAFOURY • District 2 • 248-5219
CAROLINE MILLER • District 3 • 248-5217
POLLY CASTERLINE • District 4 • 248-5213
JANE McGARVIN • Clerk • 248-3277

NOTICE OF HEARING

The Multnomah County Board of Commissioners will hold a hearing on the boundaries of the proposed PIONEER PEOPLE'S UTILITY DISTRICT NO. 1 on Tuesday, December 1, 1987, at 9:30 A.M. in Room 602 of the Multnomah County Courthouse, 1021 SW Fourth, Portland, Oregon.

All interested persons may attend and will be heard. Testimony may be limited to 3 minutes per person.

The boundaries and map of the proposed area follows.

INSERT LANGUAGE FROM PETITION, INCLUDING LEGAL DESCRIPTION AND MAP

Jane McGarvin
Clerk of the Board

0228C.30



MULTNOMAH COUNTY OREGON

DIVISION OF ASSESSMENT & TAXATION
610 S.W. ALDER
PORTLAND, OREGON 97205-3603

TAX INFORMATION: (503) 248-3326
APPRAISAL SECTIONS: (503) 248-3367
RECORD MANAGEMENT: (503) 248-3375
ADMINISTRATION: (503) 248-3323

December 6, 1989

Jane McGarvin
Clerk of the Board of Commissioners
Multnomah County

CLERK OF
COUNTY COMMISSIONERS
1989 DEC - 7 PM 1:15
MULTNOMAH COUNTY
OREGON

The attached description of the Rockwood Water Peoples Utility District meets the requirements of the Division of Assessment & Taxation.

The cross-hatched area on the attached map is not included in the description.

I have also attached a description and map for the Ducks Moorage and Dorothy Weathertson property.

If I can be of any additional assistance please give me a call at 248-3376.

Very truly yours,
Division of A & T

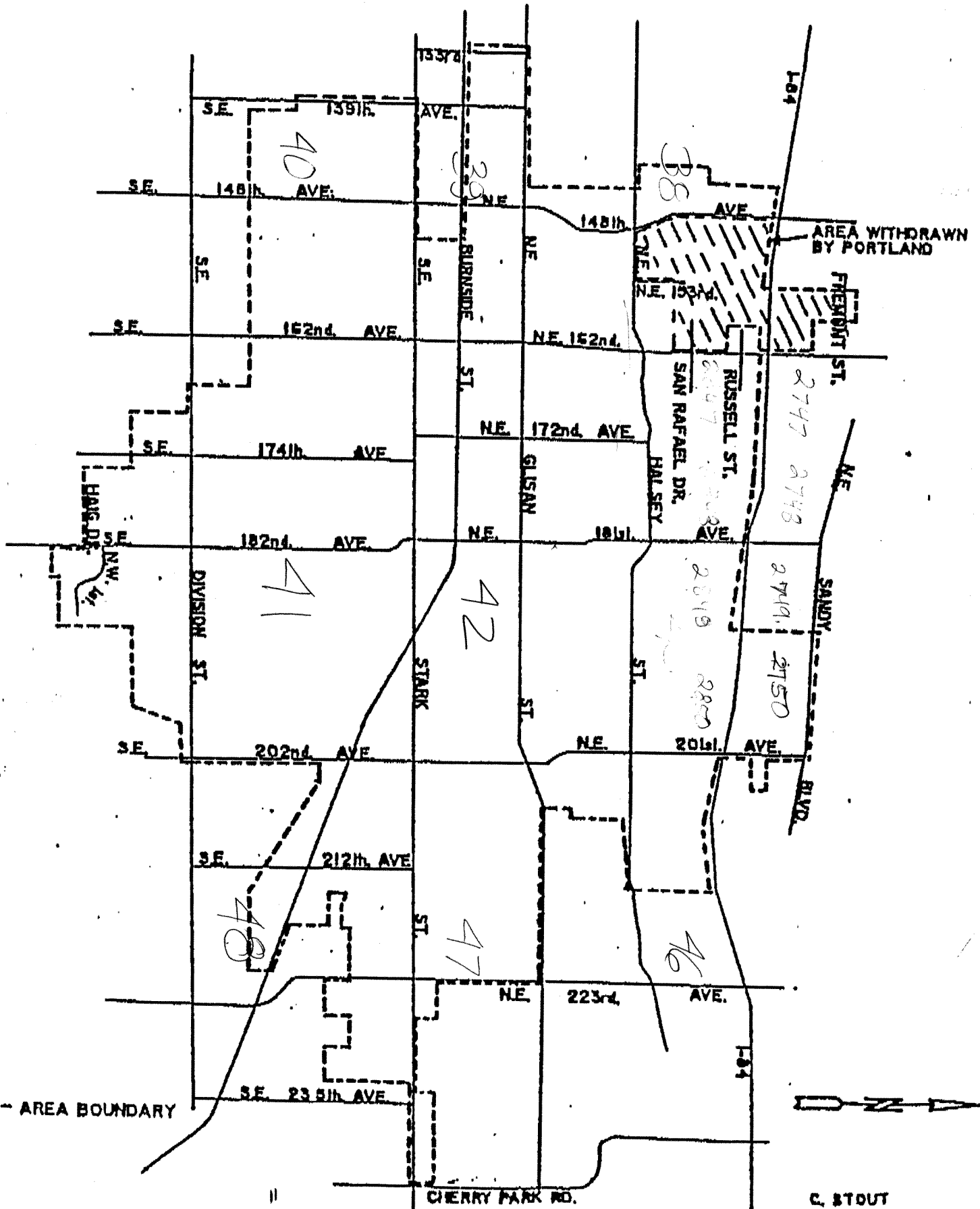
James S. Czmowski

James S. Czmowski
Record Management

Enclosures

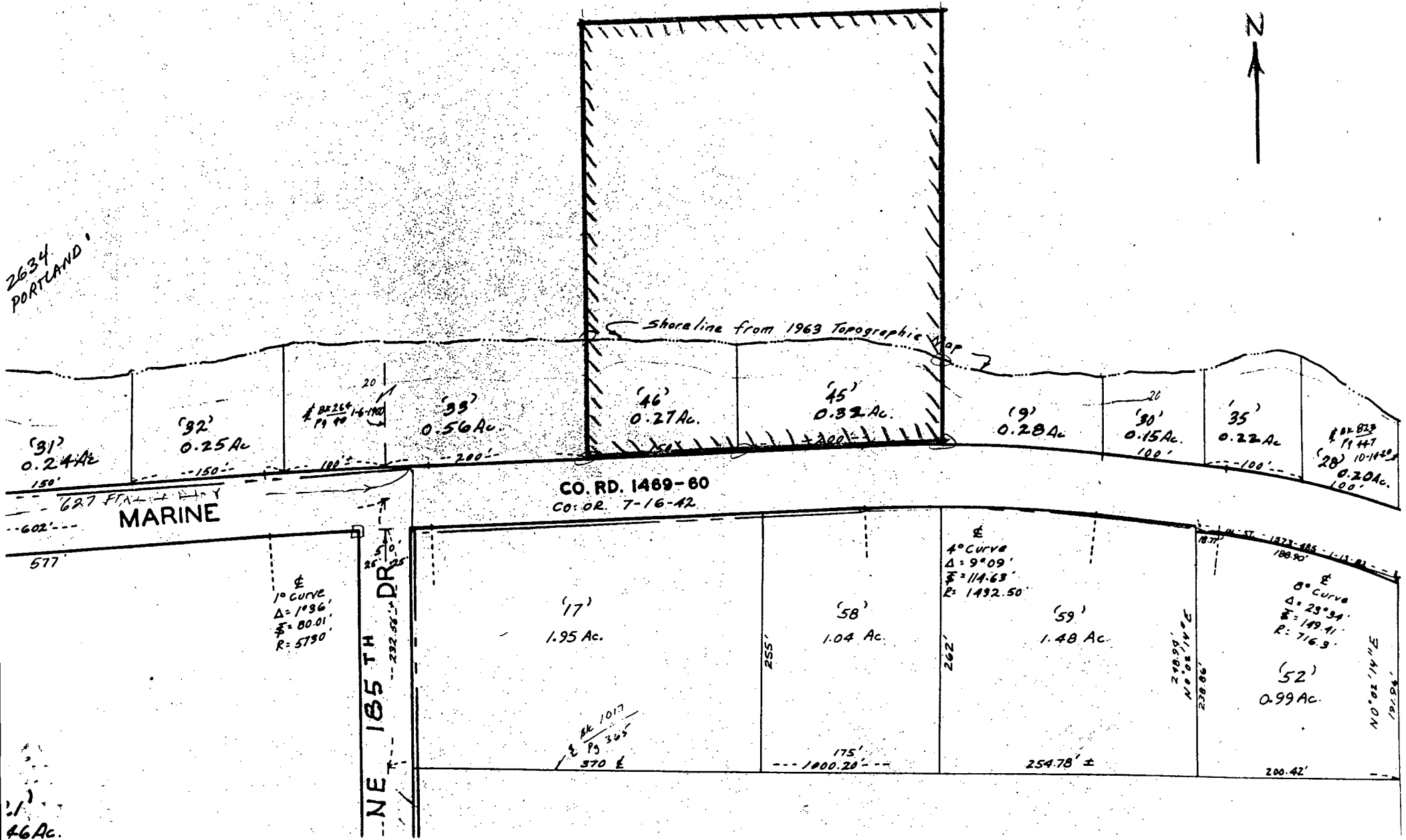
The entire boundaries of the District shall lie within Multnomah County, beginning at the center line of SE 182nd Avenue approximately 1,950' north of the SW corner of Section 8, T 1 S, R 3 E; thence easterly 300'; thence northerly 170'; thence easterly 1,317'; thence northerly 20'; thence easterly 530'; thence northerly 420'; thence easterly 93'; thence northerly 1,450'; thence easterly 1,785'; thence north easterly 1,100'; thence easterly 193'; thence northerly 215'; thence easterly 660' to the NE corner of Section 8, T 1 S, R 3 E; thence northerly along the center line of 202nd Avenue 3,126'; thence easterly 720'; thence south easterly 590'; thence northeasterly 10'; thence southeasterly 84'; thence southerly 62'; thence easterly 102'; thence southeasterly 2,426'; thence easterly 1580'; thence northerly 610' to the center line of Burnside Street; thence northwesterly along said center line 1,630' to the intersection of the center lines of Burnside Street and Farris Road; thence easterly 560'; thence northerly 810'; thence westerly 825'; thence northerly 395'; thence easterly 264'; thence southerly 113'; thence easterly 557'; thence northerly 90'; thence easterly 1,330'; thence southerly 560'; thence easterly 980'; thence northerly 665'; thence easterly 805'; thence southerly 665'; thence easterly 875'; thence northerly 2,080'; thence easterly 2650'; thence northerly 460'; thence westerly 2,250'; thence southerly 242'; thence westerly 215'; thence southerly 215'; thence westerly 1,912'; thence northerly 537'; thence westerly 935'; thence northerly 2,800'; thence westerly along the center line of Glisan Street 4,150'; thence northerly 2,050'; thence easterly 970' along the center line of Halsey Street; thence northerly 1,800' to the southern right-of-way line of O.W.R. & N. Company; thence westerly along said right-of-way line to the centerline of 201st Avenue; thence northerly 715'; thence easterly 860'; thence northerly 258'; thence westerly 860'; thence northerly 1,375'; thence westerly along the center line of Sandy Boulevard 3,200'; thence southerly 1,865'; thence westerly along O.W.R. & N. Company to the center line of 181st Avenue; thence southerly 430'; thence westerly 320'; thence northerly 180'; thence generally westerly following the Interstate 84 southern right-of-way 2,020'; thence southerly 45'; thence north westerly 365'; thence westerly 450'; thence southerly 110'; thence westerly 1,680'; thence southerly 80'; thence westerly 860' more or less; thence southerly 550'; thence generally easterly 850'; thence southerly 1,500' more or less; thence westerly 880'; thence northerly 100'; thence westerly 150'; thence northerly 130'; thence westerly 300'; thence northerly 80'; thence westerly 870'; thence southerly 1,300' to the north right-of-way of NE Halsey; thence westerly 1,185'; thence generally north westerly to the western right-of-way line of NE 148th Ave.; thence generally northerly 2,800'; more or less; thence westerly 800' more or less; thence southerly 1,820'; thence westerly 850'; thence southerly 1,800'; thence easterly 1,010'; thence southerly 2,650'; thence westerly 3,695'; thence southerly 1,440'; thence easterly 5,310'; thence southerly 1,010'; thence westerly 3,980'; thence southerly 2,710'; thence easterly 650'; thence southerly 1,160'; thence easterly 4,335'; thence northerly 20'; thence easterly 335'; thence southerly 20'; thence easterly 665'; thence southerly 20'; thence easterly 670'; thence southerly 60'; thence easterly 1,330'; thence southerly 1,330'; thence easterly 700'; thence southerly 1,320'; thence easterly 1,020'; thence northerly 42'; thence easterly 370'; thence southerly 710'; thence easterly 330'; thence southerly 615'; thence easterly 1,655'; thence southerly 650' to the point of true beginning.

DESCRIPTION OF BOUNDARIES



A tract of land in Section 20, Township 1 North, Range 3 East, W.M. in Multnomah County, State of Oregon described as follows:

Commencing at the intersection of the centerlines of NE Marine Drive and NE 185th Ave, in said Section 20; thence East along the centerline of NE Marine Drive 200 feet to a point; thence North 30 feet to the Southwest corner of that tract of land conveyed to Charles H. Weatherston in Book 891 on Page 258 recorded Nov. 1, 1972, in Multnomah County Deed Records and the point of beginning of the tract to be described; thence North, along the West line of said Weatherston tract and the Northerly extension of said West line, 400 feet to a point; thence East, parallel to the North line of said NE Marine Drive, 350 feet more or less to the Northerly extension of the East line of that tract of land conveyed to Dorothy M. Weatherston in Book 890 on Page 185 recorded Oct. 27, 1972, in said County Deed Records; thence South, along the Northerly extension of the East line and the East line of said Dorothy Weatherston tract, 400 feet more or less to the North line of NE Marine Drive; thence West, along the North line of NE Marine Drive, 350 feet more or less to the true point of beginning.



RESOLUTION OF THE BOARD OF COMMISSIONERS
ROCKWOOD WATER DISTRICT
14 November 1989

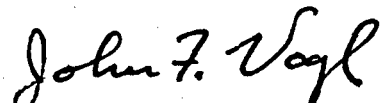
WHEREAS, some local government bodies operate under the premise that citizens simply pay the bills and are not capable of deciding what is in their best interest, and,

WHEREAS, it is the desire of the Rockwood Water District Board to fulfill its obligation to the electors and ratepayers and to provide continuity of a high quality water service, and,

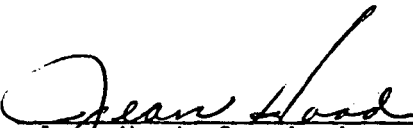
WHEREAS, the Rockwood Water District Board subscribes to the principle of government of the people, by the people and for the people,

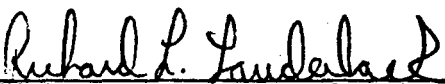
THEREFORE, BE IT RESOLVED, that we, the Rockwood Water District Board of Commissioners wholeheartedly support the citizens' right to vote on the formation of a Peoples Utility District to be their water provider, and will abide by their choice and endeavor to make it a practical reality.


Bill Stallings, President


John F. Vogl, Secretary


Herb Brown, Commissioner


Jean Hood, Commissioner


Richard Lauderback, Commissioner

mvh



CITY OF
PORTLAND, OREGON
OFFICE OF THE MAYOR

Office of
J.E. Bud Clark, Mayor
1220 S.W. 5th
Portland, Oregon 97204
(503) 248-4120

December 12, 1989

MULTNOMAH COUNTY BOARD OF COMMISSIONERS
1021 SW FOURTH AVENUE
PORTLAND OR 97211

Re: Boundaries of proposed Rockwood People's Utility District (PUD)

Honorable Commissioners of Multnomah County,

As you are about to render a decision on the boundaries of the proposed PUD, I felt it essential that you understand the depth of our concern. The City of Portland is absolutely committed to fulfilling its urban services obligation to the citizens of Portland and Multnomah County.

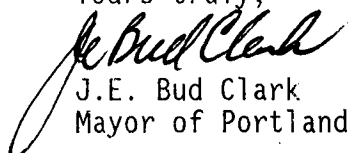
The urban services boundary which is adopted in the Comprehensive Plans of Portland and Multnomah County defines the maximum service territory of the City. Numerous City-County intergovernmental agreements have been established on the basis of the urban services boundary. Both Portland and the County have expended thousands of tax dollars on the urban services policy, the subsequent intergovernmental agreements, and an annexation program which continues to make progress in the area of policy implementation.

I am convinced that you are absolutely empowered to set the boundaries of the proposed PUD. I am equally convinced that excluding the territory within the Portland/Multnomah County urban services boundary is the only action which you should be considering. To do otherwise would be inconsistent with six years of County urban services policy.

Due to the mandatory nature of the Board's obligation to determine the appropriate boundaries of the PUD the City is seriously considering a legal challenge in the event that the Portland urban services territory is included in the proposal's boundaries. This is not a position I relish taking, nor do I relish the inevitable delay in getting this matter to the voters which such a challenge would engender. It is, however, a matter of such importance to the City that a legal challenge is warranted. Portland is the logical urban service provider within the adopted urban services boundary, and water is one of Portland's most desirable services. The affected citizens will be afforded every right as citizens of Portland as they would if included in a water PUD.

Please do not act in a manner counter to the sound policy of the past six years. It is my sincere desire to avoid an adversarial relationship as regards the dispensation of this proposal. I am at your service to discuss this matter further.

Yours truly,


J.E. Bud Clark
Mayor of Portland

COMMENTS ON ROCKWOOD PUD
NOVEMBER 21, 1989

1. Mayor Clark sends regrets. Letter enclosed in packet which is submitted as part of record.
2. Points to make

- a. Focus seems to be on Gresham. Look at location of hearing.
- b. City-Co. have adopted Urban Services Boundary that conforms to state law. Defines City's logical boundary as full service provider of municipal services.
 - a. Involves mandated facilities planning for future
- c. City-Co. have Resolution A/Urban Services Policy that calls for City to be provider of municipal services within the boundaries of the City-County Urban Services Boundary. Water is named specifically in the joint City-County agreement that outlines "municipal services" to be provided by the City.

Despite some negative court decisions, City continues to pursue this policy in good faith. Budget this year includes over \$400k City money and \$60k County money in support of annexation program. The City is the primary source of water to all of this area and transitioning residents to retail water service has been an important part of the over-all package of services that the City has offered in many annexed areas.

- d. City has planned for and is prepared to serve this area. Indeed, it is already serving some of the area that has been withdrawn from the Rockwood District.
- e. The creation of a PUD for water within the City's Urban Growth Boundary flies in the face of past City and County efforts to insure a single, multi-purpose service provider in the area. A PUD would add another layer of government with illogical boundaries. This violates concept of state land use planning, boundary commission policy and efforts of City and County to rationalize services in the past.
- f. This proposal may violate ORS 261.030 which does not allow a PUD to interfere with municipal utility. Yet this petition would withdraw service area from within the City and compromise future planning of the City's utility.
- g. Spirit of 1989 legislation is to consider governance, economically feasible service solutions; not just isolated service issues. As ODOE notes, this is a political, not a service issue. Should treat it in the spirit of new legislative policy - key services bundled together, government streamlined and responsive.

3. Request that County Commission amend boundary to eliminate all territory within the City of Portland Urban Service Boundary as jointly adopted by both the City of Portland and Multnomah County.
/Rockwood



CITY OF
PORTLAND, OREGON

OFFICE OF THE MAYOR

Office of
J.E. Bud Clark, Mayor
1220 S.W. 5th
Portland, Oregon 97204
(503) 248-4120

November 21, 1989

Multnomah County Board of Commissioners
1021 SW Fourth Avenue
Portland, Oregon 97204

Honorable Commissioners,

The City of Portland respectfully requests that the boundaries of the proposed Rockwood People's Utility District (PUD) exclude all areas within the Portland - Multnomah County urban services boundary. City, County, and State planning goals, and Boundary Commission policy all support municipalities providing urban services in developed, unincorporated neighborhoods.

Moreover, the statute governing the formation of PUDs (ORS 261.030) provides that nothing shall interfere with an existing municipal utility. We believe that the proposed PUD is unnecessary insofar as Portland's urban services area is concerned. The City is capable of supplying water service to the subject area without the overlap and redundancy involved in overlapping jurisdictions with divided responsibilities.

The City's position is more fully described in the attached materials submitted for the record.

We respectfully request that you, the members of the Multnomah County Commission, whose charge it is to look after the interests of all County residents, exclude those areas within the proposed PUD that are within Portland's urban service boundary.

Sincerely,

J. E. Bud Clark
Mayor

attachment

November 21, 1989

Subj: Written Testimony Regarding the Proposed Rockwood People's Utility District (PUD)

Background

Over the last two decades unincorporated mid-Multnomah County has changed dramatically. The density and extent of land development have transformed the area to one that is distinctly urban. Given this urban character, the area is now in need of the types and level of urban services typically found in cities, such as water, sewer, police, parks, and fire service. In the past these services were provided, piecemeal fashion, by Multnomah County or from various single-purpose special districts.

By 1984, a combination of factors had come in to play which compelled Multnomah County to phase out its provision of municipal services. Foremost among the contributing factors was a \$14 million budget shortfall; secondly, but also significant, was the realization that the County's responsibility was to provide county-wide services to all County residents rather than municipal services to only some County residents. The County, Portland, Gresham, and the State (through the Boundary Commission) agreed that the best way to provide the necessary urban services was by annexation to Portland or Gresham. Ten percent of the Rockwood water district has been annexed to Portland, with majority consent, and in two cases by election, to the City of Portland. An additional seventy percent of the Rockwood district has been annexed to Gresham.

The Rockwood PUD proposal includes territory annexed to Portland between 1984 and 1989, some (see attached map), but not all of which has been withdrawn from the existing Rockwood Water District. However, each Council Resolution approving an annexation in this area expressed the City's intent to withdraw annexed property from the water district. Additional territory potentially affected by the subject proposal is located within Portland's adopted urban services boundary (Ordinance Nos. 159285 & 159286). Public Facilities Planning for water services in the area have been adopted as an element of the City's Comprehensive Plan.

Comprehensive Planning

Portland has an adopted Comprehensive Plan, which has been acknowledged by the Land Conservation and Development Commission (LCDC). As part of the planning process, based upon the so-called Public Facility Plan rule (OAR 660 Division 11), Portland developed a plan "...setting forth the means by which a plan for management of the unincorporated area within the urban growth boundary will be implemented..." (Comp. Plan Goal 11 Public Facilities, Policy 11.6 Facilities System Plan).

Portland has done extensive public facility and financial planning for extending this service, and budgets have been adopted with this in mind. There ought to be a clear finding, one way or the other, as to the logic of this proposal, and a determination as to the best interests of the people involved. To put this in perspective, the City of Portland has a Multnomah County population of 430,000; the population in the proposed PUD is about 30,000.

Urban Services Policy

Portland's operative Urban Services Policy encourages annexation within the framework of an urban services boundary developed in a legitimate, state-mandated, LCDC-acknowledged, comprehensive planning process. Complementary to this planning process are the other state-mandated laws regarding annexation. Since 1969, a Local Government Boundary Commission has overseen annexations and other territorial local government issues in the metropolitan area. The Boundary Commission was established to provide an impartial forum for these reviews.

The City always intended, through a series of planned annexations, to provide all municipal services to all city residents. The planning models generated to determine an appropriate boundary were based on this assumption. The Rockwood PUD proposal is at odds with the City's objective and statewide planning goals. The annexation program begun in 1983 has proceeded because the area residents petitioned the City and the State-mandated Boundary Commission, pursuant to the ORS Chapter 199. Among the widely-recognized positive features of this effort is that local government becomes more streamlined, local service delivery more rationalized, and costly duplication of service is minimized.

The impetus for local support has always been the idea of joining Portland for all its services, including City water service. The City of Portland intends and is capable of serving annexed neighborhoods. In point of fact, water is one of Portland's foremost municipal services.

Water Service Delivery

Economies of scale are a very real advantage in the water service industry, given the high level of capital investment in the various components of the system: treatment, storage, transmission, and distribution at adequate pressures for home and commercial use as well as fire protection, emergency repair response, and preventive maintenance. To be able to meet these needs in the long-term at the lowest possible rates within a given territory is best achieved by a large utility providing services directly. To attempt to deliver these services in an urban setting through third parties does not make good sense.

Portland has a proven record in meeting the needs of water consumers in the long term, evidenced by both its history and current operations. In the past ten years alone Portland has spent \$145 million on water system improvements for distribution, supply, storage, and treatment projects.

Administrative overhead is lowered and accountability to ratepayers is best achieved where all urban services within a given territory are provided by one entity rather than several separate entities. Where multiple jurisdiction overlap to provide various services, the result is confusion over jurisdiction, overlapping service areas, and duplication of service. Coordination of delivery of services, spreading overhead among many services, the ability to better nurture expertise, sharing equipment--all of these factors support movement in the direction of multi-purpose districts, commonly called cities. It is unreasonable to expect separate governing bodies with agendas specific to the service they provide to act in a coordinated manner the way a city operates. For the citizenry, it is unrealistic to expect much understanding and hold separate boards accountable for actions which lacked a coordinated thrust.

The Water Bureau provides direct service to a portion of the 1200 customers that have been withdrawn from Rockwood. The remainder of the customers in the withdrawn area receives water that is wheeled through the Rockwood system according to the provisions of the 25-year Water Sales Agreement.

The Water Bureau would be able to provide direct service to the vast majority of the withdrawn area once the district determines which facilities are not needed to serve the remainder of its customers. In addition, the Water Bureau would be capable of serving the entire area with the City's urban services boundary, whether inside or outside the City limits, if the water district ceased to provide that service.

If the Water Bureau provided direct water service to the Rockwood area which is outside Portland, the rates would compare favorably with those now charged by the district.

Portland offers the lowest rates and best system to the people within the urban services boundary. There is no compelling reason for replacing a proven, full-service city with a single-purpose, utility district.

Corrections to ODOE Report

On page two of the press release, (paragraph 2) and on page 4 (paragraph 1) of the report ODOE states that upon completion of planned annexations; the remaining portion of the Rockwood water district would bear the brunt of the district's financial obligations and rates would double. This is incorrect in two ways:

1. A proportionate share of the district's indebtedness goes to the annexing/withdrawing authority when they annex/withdraw. It is based on the value of the area withdrawn to the total value. The same proportion of debt is also assumed; at this point in time, Portland has assumed 25% of the Rockwood Water District debt.
2. With less than 25% of the Rockwood water district remaining un-annexed, the district could voluntarily dissolve and the remaining customers could be served by the City as extraterritorial customers, much the same as occurred in the Parkrose, Sylvan, and Hayden Island water service areas.

Conclusion

The part of the proposed Rockwood People's Utility District which is also within the Portland-Multnomah County urban services boundary should be removed from the boundaries of the proposal. The Commission has the authority to determine the boundaries for the PUD, and with the City's testimony, has the grounds to modify the boundaries. This is a unique situation, where municipalities are already providing the service proposed for the PUD. Specific findings pertaining to this issue should be made to support the decision made in this regard.



CITY OF
PORTLAND, OREGON
OFFICE OF CITY ATTORNEY

Jeffrey L. Rogers, City Attorney
1220 S.W. 5th Avenue
Portland, Oregon 97204
(503) 248-4047

November 21, 1989

RECEIVED

NOV 21 1989

INTEROFFICE MEMORANDUM

FISCAL ADMINISTRATION

TO: Larry Kressel
Multnomah County Counsel

FROM: Ruth Spetter *RS*
Senior Deputy City Attorney

SUBJ: Rockwood P.U.D. - Board of County Commissioner's
Authority and Obligation Regarding Exclusion of
Territory

This memorandum is submitted pursuant to your suggestion.

Background

Pursuant to ORS 261 a petition for a People's Utility District (P.U.D.) has been filed with the Board of County Commissioners for a determination of the district's boundaries. The City of Portland believes that the following territory should be excluded from the proposed district's boundaries.

1. Territory which has been annexed and withdrawn by the City;
2. Territory which has been annexed by the City; and
3. Territory not annexed to the City but within its Urban Services Boundary.

The policy reasons for exclusion deal with important issues of future development of the region and the unnecessary duplication of services. These issues will not be further addressed here but rather will be addressed in detail in the City's testimonial submittal to the Board.

This memorandum will deal with the Board's express authority and obligation to actually determine the P.U.D.'s boundaries -- not just rubber stamp the boundaries in the petition.

COUNTY BOARD OF COMMISSIONERS'
AUTHORITY TO EXCLUDE TERRITORY

A. GENERALLY

1. Must Be Implied: Authority By Implication Is Lawful.

In School Dist. No. 68 v. Hoskins et al, 194 Or 301, 240 P2d 949 (1952) the District Boundary Board was authorized by the State Legislature to change school district boundaries. The authorizing law did not provide for a hearing prior to such a change. The law did, however, require the Board to post notices of the proposed boundaries and the date of the Board's meeting when such a decision would be made.

From the statutory requirement that notice be posted, the Oregon Supreme Court implied an obligation by the Board for a hearing and also that it make its decision based upon the information provided during that hearing. Specifically, the Court held, in part, as follows:

"By the express terms of this statute
[n]o provision is made for the remonstrances
against the proposed change . . . nor are any
standards fixed for guidance of the . . .
Board in making its determination. In fact,
no direct provision is made for a hearing
before the Board. However, inasmuch as the
law requires the posting of notices, it may
be implied therefrom that the legislature
intended a hearing should be held; and that
persons opposed to any . . . change have the
right to remonstrate and to present evidence
in opposition; and that the Board in
determining [a school district's boundaries]
should give consideration to the entire
record. If this were not the intent, . . . the
posting of notices would serve no purpose
whatever." (Emphasis added.)

194 Or at 312.

Thus, it is lawful and right, under the appropriate circumstances, to imply obligations for full hearing and a determination based upon the information acquired at such a hearing.

As discussed in Section "A.2" of this memorandum the P.U.D. statute, (ORS Chapter 261), requires the commission to follow procedures which imply not only the commission's authority to exclude territory when its inclusion is not in the public interest, but also its obligation to do so.

2. ORS 261.161 Authorizes and Obligates the Board of County Commissioners to Hold a Hearing, Consider Requests for Exclusion from the Proposed P.U.D. and To Make a Decision Based Upon the Record and the Public Interest.
-

Unlike the limited statutory guidance provided in the statute regarding school districts, described in the Hoskins case, ORS 261.161 provides a considerable amount of guidance regarding the Board's obligation to determine the boundaries of a proposed P.U.D.

Specifically, the Board of County Commissioners are obligated to do the following:

- a. Give notice of a hearing on the proposed P.U.D. boundaries.
- b. Publish the notice.
- c. Hold up to four weeks of testimony regarding the P.U.D. boundaries.
- d. Take public testimony at the hearing.
- e. Make a determination based upon the record of the hearing, and
- f. Upon the report of the Director of the Department of Energy (ODOE).
- g. Correct deficiencies in the description of the boundaries of the proposed district.

The Board's obligation is expressly stated in this statute. That is, to make a decision based on the information provided at the hearing as well as the report from the Director of the Department of Energy. Unquestionably, the Board is not a rubber stamp for the petition presented for review. If the Board's only obligation was to be a rubber stamp there would be no need for a hearing and no requirement that it make a determination based

upon the information provided to it during the hearing and ODOE's Report. The Board is authorized and is obligated to make a determination regarding the inclusion or exclusion of property proposed in the petition. There is no question that the courts would find to this effect. Consider, in a case where statute required no more than that notice be posted, the Oregon Supreme Court found an obligation for a hearing so that person opposed could remonstrate and present evidence in opposition to inclusion within a district and an obligation for a determination based upon the information provided during the hearing. Under ORS 261.161, the Board's obligations for all of the above and more are expressly provided for.

The power to exclude property is properly and lawfully implied in this statute, which requires a consideration of all the information provided during the hearing and a decision based on that information.

This reading of the statute is further supported by the plain meaning of the word "determine." The county governing body must "determine the boundaries" of the proposed district. As defined by Websters, "determine" means "to set bounds or limits to; to fix the boundaries of; to limit in extent, scope, etc." Websters International Dictionary, 2d Ed (1950). The word is used explicitly to mean fixing boundaries in the sense of limiting their extent, by excluding territory, for example.

The only prohibition expressly placed upon the Board is a prohibition against the inclusion of additional territory without written request from such territory. There is no statutory prohibition against the exclusion of property.

3. The Board Is Not Without Standards For Making Its Determination.

The standard by which the Board of County Commissioners is always bound is that any action taken be in the public interest. Therefore, the Board has authority to consider policy issues which will be brought before it in making its determination of what territory it is within the public interest to include and what territory it would be in the public interest to exclude.

Relevant issues in this case might be urban services planning, service expectations of those who chose to be annexed to the City, rate differences and other issues raised during the hearing. The Board is authorized to make public interest decisions on such issues as it determines the proper boundaries. It is the Board's obligation under the statute to do so.

In addition, the Board is authorized to correct deficiencies in the boundaries. ORS 261.161(4).

B. BOARD OF COUNTY COMMISSIONERS MAY APPROPRIATELY EXCLUDE ALL PORTLAND PROPERTY INCLUDED WITHIN THE P.U.D. PROPOSED BOUNDARY.

The proposed P.U.D. currently includes property which has been annexed and withdrawn by the City of Portland, annexed by the City and also property which is simply within the City's urban services boundary. If the Board is convinced that it would be in the public interest to exclude any of this property it has the authority and the obligation to do so. This is especially true for the property which has been annexed and withdrawn from the Rockwood Water District.

The Board must realize that the history of the P.U.D. statute is one of enabling people to create utility districts when territorial limits of municipal operation limited the area which could be served. 20 Or. L.Ed. 3 (1940). There is no issue regarding the City's ability to provide service in this case. Furthermore, there is a strong statutory prohibition against a P.U.D.'s interference with existing municipal utilities.

ORS 261.030 specifically provides that "nothing [in Chapter 261] . . . authorizes or empowers the board of directors of any district to interfere with or exercise any control over any existing utility owned and operated by any . . . municipality" without the consent of the governing body of the municipality.

ORS 222.540 mandates that once a portion of a district has been withdrawn the district is obligated to, (i.e. the statute provides that "the district shall"), turn over to the City all of its water facilities not necessary for operation of the remainder of the district. In other words, once withdrawal is complete some portion of the system becomes a part of the municipality's system. A P.U.D. board unilaterally attempting to incorporate such property within a P.U.D. would be in violation of ORS 261.030. It makes no sense to include that property within the district's boundaries when the statute makes it illegal for the district to interfere with or exercise any control over such facilities after incorporation.

The only issue left to be decided in regard to the City's withdrawal of the Rockwood territory is which portion of the district's facilities must be retained by the district as necessary for the rest of its system.

This matter has not been concluded only because the district has been unwilling to cooperate in this regard in spite of efforts by the City of Portland, since early in 1989, to negotiate this issue. The City finally has no choice other than to request that this same board make that determination under ORS 222.540. However, any territory that the Board should determine is required by the district for the remainder of its system will remain with the district and, presumably, should a P.U.D. incorporate the remainder of the district, be a portion of the P.U.D.. Therefore, it is not only inappropriate but unnecessary to include the territory withdrawn by the City within the proposed district boundaries.

C. CITY'S WITHDRAWALS ARE VALID

An argument may be made regarding the validity of the City's withdrawal process. However, no actual challenge to that process has been raised. The City recalls an interest by the proponent of the P.U.D. in having the Board act under the circumstances as they existed at the time of its petition submission, i.e. under the old law. No City withdrawals have been challenged and found by a court of law to be illegal. Under the circumstances, it is only appropriate for the Board to act on the boundary issues based upon the legal situation as it exists at the time of the Board's hearing, i.e. the City's withdrawals are legal and completed.

CONCLUSION

The Board has a considerable amount of statutory direction and an express obligation to do more than just rubber stamp the petition process. The Board is obligated to make a real determination of the proper boundaries of a proposed P.U.D. That is why there is a hearing and the requirement that the Board make its determination based upon the information provided at that hearing, i.e., "the record." In this case, for the City, there are major policy issues of direct interest to and within the expertise of the Board upon which the Board should take a position. It may not be easy but it is the right thing to do. It is the obligation imposed upon the Board by law.

Ord. # 155651

OCT 05 1984

INTERGOVERNMENTAL AGREEMENT

Transition of Urban Services

The City of Portland and Multnomah County enter into this agreement pursuant to the authority granted in Chapter 190 of Oregon Revised Statutes for the purpose of providing for the transition of responsibility for urban services from the City of Portland to Multnomah County.

PARTIES TO THE AGREEMENT

The CITY OF PORTLAND is a municipal corporation organized and existing under the laws and constitution of the State of Oregon and is hereinafter referred to as "the City".

The COUNTY OF MULTNOMAH is a Home Rule political subdivision of the State of Oregon organized and existing under the laws and constitution of the State of Oregon and is hereinafter referred to as "the County".

RECITALS

WHEREAS, to serve economic development goals, public health, and public safety, there is a need for a higher level of urban services in the urban, unincorporated areas of the County; and

WHEREAS, to adequately meet human services justice services, library services and other County-wide needs, and to eliminate the duplicative payment for County urban services by City taxpayers, the County must concentrate resources on these County-wide services; and

WHEREAS, the City and the County find that the most cost effective and rational method for the delivery of urban services in urban, unincorporated areas is through full service City government; and

WHEREAS, many citizens and property owners in currently unincorporated areas of the County desire to have the City meet the area's service needs; and

WHEREAS, the city and the county anticipate the city will annex by July, 1986 substantially all of the urban unincorporated areas of the County within the City's currently proposed urban services boundary; and

WHEREAS, the County has adopted Resolution A which provides for the reduction of County urban services to rural levels and for the concentration of County resources on County-wide services such as human services, justice services and library services; (a copy of Resolution A is attached as Appendix A); and

- 6) County Services. Public services usually provided by County governments including but not limited to Assessment and Taxation, Elections, Justice Services, Libraries and Health Services.
- 7) Improvement. All capital projects relating to road purposes including, but not limited to, road construction.
- 8) Jurisdiction. Authority of a unit of local government to regulate, operate, maintain, improve, plan, direct or manage streets and roads within the territorial boundaries of that government.
- 9) Local Access Roads. All public roads under the jurisdiction of Multnomah County as defined by ORS 368.001(3), (5) and (6) which have not been adopted and accepted or legalized as County roads.
- 10) Maintenance. The term "maintenance" includes, but is not limited to, road surface reconstruction overlay, resurfacing, rehabilitation, repair and widening; sidewalk construction and repair; installation, replacement and repair of traffic control devices such as signs, signals, pavement markings and barricades; street sweeping and drainage.
- 11) Population. The census developed by the Portland State University Center for Population Studies as of July 1 of each fiscal year.
- 12) Urban Services. Public services usually provided by City governments, including but not limited to, police service, neighborhood parks, transportation, sewers, water, fire service and land-use planning and permits.
- 13) Willamette River Bridges. The following County-owned or maintained bridges that cross the Willamette River: Hawthorne Bridge, Morrison Bridge, Sellwood Bridge, Burnside Bridge, Broadway Bridge, and Willamette Slough Bridge. This includes the approaches connecting the bridges to the nearest at grade intersection with other City or State-owned roads.

ARTICLE THREE: TRANSPORTATION

SECTION I: RECITALS

- A. By this agreement the County and the City have deemed it necessary, expedient and in the best interest of the County and the City to equitably redistribute transportation ~~service delivery requirements and resources~~ in accordance

ROCKHOOD WATER DISTRICT
ASSUMED DEBT

ASSESSED VALUE OF DISTRICT 1988-89

977,914,046

ASSESSED VALUE OF AREA ANNEXED,

BOUNDARY COMMISSION ORDER # 2207, 2236, 2251, 2266, 2295, 2383 & 2432

53,513,920

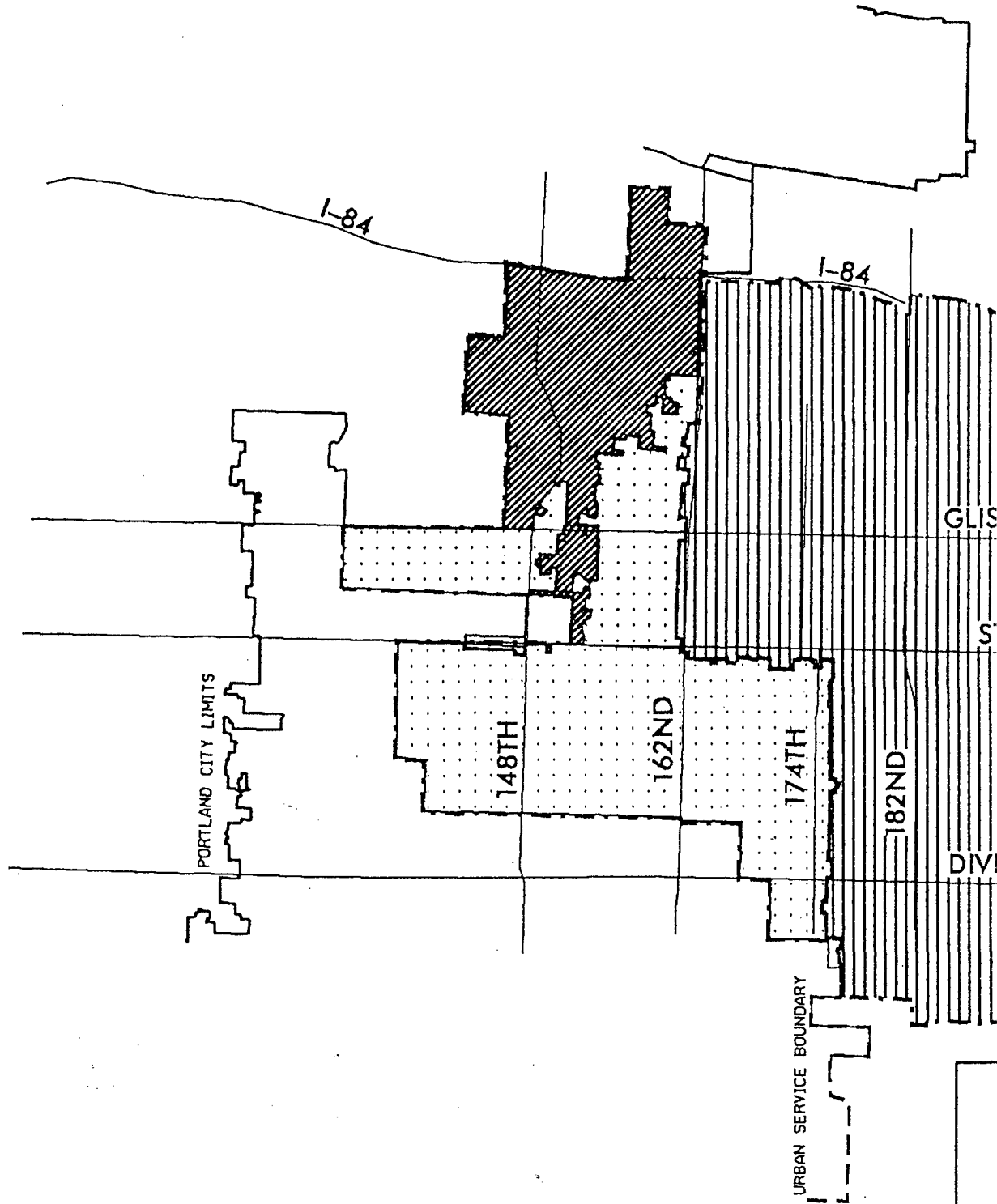
5.47225%

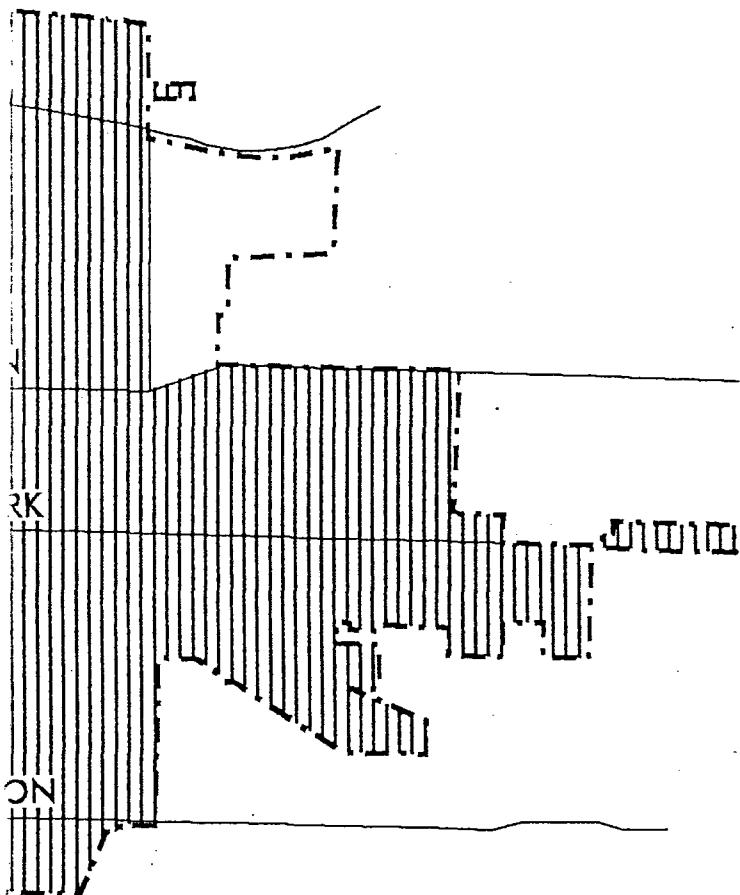
INTEREST MATURITIES DUE DATE

5.40%	135,000	12/1/89-90
5.50%	135,000	12/01/91
5.50%	135,000	12/01/92
5.70%	140,000	12/01/93
5.75%	140,000	12/01/94

INTEREST DATES	TOTAL		ROCKHOOD WATER DISTRICT		CITY OF PORTLAND	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
05/01/89		22,797.50		17,211.50		5,586.00
12/01/89	135,000.00	22,797.50	101,921.45	17,211.50	33,078.55	5,586.00
06/01/90		19,152.50		14,459.62	0.00	4,692.88
12/01/90	135,000.00	19,152.50	101,921.45	14,459.62	33,078.55	4,692.88
06/01/91		15,507.50		11,707.75	0.00	3,799.75
12/01/91	135,000.00	15,507.50	101,921.45	11,707.75	33,078.55	3,799.75
06/01/92		11,795.00		8,904.91	0.00	2,890.09
12/01/92	135,000.00	11,795.00	101,921.45	8,904.91	33,078.55	2,890.09
06/01/93		8,015.00		6,051.11	0.00	1,963.89
12/01/93	140,000.00	8,015.00	105,696.32	6,051.11	34,303.68	1,963.89
06/01/94		4,025.00		3,038.77	0.00	986.23
12/01/94	140,000.00	4,025.00	105,696.34	3,038.77	34,303.66	986.23
TOTAL	820,000.00	162,585.00	619,078.46	122,747.32	200,921.54	39,837.68
ASSUMED DEBT OF PREVIOUS ANNEXATIONS					156,049.09	30,940.62
ASSUMED DEBT OF THIS ANNEXATION					44,872.45	8,897.06


PROPOSED ROCKWO







ORIGINAL ROCKWOOD WD = 4,466 ACRES

AREA WITHIN PORTLAND U.S.B = 1,381 ACRES 31%

 AREA ANNEXED AND WITHDRAWN
BY PORTLAND = 351 ACRES 8%

 UNINCORPORATED AREA = 1,030 ACRES 23%

 AREA ANNEXED BY GRESHAM = 3,085 ACRES 69%

Presentation to Multnomah County Commission

Prepared by the City of Gresham



November 21, 1989



CITY OF GRESHAM

1333 N.W. Eastman Parkway
Gresham, Oregon 97030-3825
(503) 661-3000

November 21, 1989

Gladys McCoy, Chair
Board of County Commissioners
Multnomah County Courthouse
1021 SW Fifth Avenue
Portland, OR 97204

RE: MULTNOMAH COUNTY COMMISSION HEARING - PROPOSED ROCKWOOD PEOPLE'S
UTILITY DISTRICT

Dear Chair McCoy:

As you know, the County Commission has received a petition for the formation of a new Rockwood People's Utility District, whose proposed boundaries include a portion of the City of Gresham's corporate territory. Inasmuch as the formation of a PUD within the corporate limits will have a significant negative effect on our citizens and water customers, the City of Gresham would like to include this letter and accompanying information in the record.

HISTORICAL BACKGROUND

In 1984, the City of Gresham began an aggressive annexation program in response to a decision by Multnomah County to end its role as a provider of urban services. In March, 1984, Gresham and the Rockwood Water District signed an agreement which would withdraw District water services "in a planned, orderly, and cost effective manner after annexation to the City" (Exhibit A). Under the agreement, Gresham would not withdraw portions of the District on a piecemeal basis as annexations occurred, but would delay withdrawal until the City's annexation program had been completed, at which time the entire portion of the District annexed into Gresham would be withdrawn. This agreement was executed to allow for a more cost-effective withdrawal of territory, employees and assets, and to minimize any problems associated with a piecemeal withdrawal.

Anticipating a future withdrawal and merger of the two water systems, the City of Gresham has since 1984 begun planning for and implementing improvements to its infrastructure to intertie the two systems, and to provide for future water storage capacity to alleviate present deficiencies. These improvements will be discussed later in this letter.

Exhibit B is a map of the City of Gresham. The map also indicates the proposed boundaries of the Rockwood PUD which overlap City limits. As the map indicates, the proposed PUD would encompass approximately forty percent of the total land area of the City.

Gresham's concerns over a proposed PUD within its City limits are centered around four significant issues: 1) Rockwood's deficiencies in its infrastructure; 2) the proposed PUD's financial ability to provide

service and correct its system deficiencies over a long-term period; 3) the withdrawal agreement reached more than five years ago, and the City's investment of thousands of dollars to implement that agreement, and 4) the potential negative impact in the provision of future water service to undeveloped land, and the consequent negative impact on future economic development opportunities.

SYSTEM DEFICIENCIES

In 1986, Gresham contracted with the engineering firm of CH2M Hill to update the City's Water Master Plan. (Excerpts of that master plan are attached as Exhibit C.) As part of the contract, CH2M Hill was directed to analyze the system deficiencies of that part of the Rockwood Water District to be withdrawn by the City, and to provide a cost estimate for the upgrading of those deficiencies.

As Exhibit C indicates, the Master Plan identified a number of deficiencies in Rockwood's system. These deficiencies include a shortfall in storage capacity for emergency water distribution, undersized transmission mains in some parts of the Rockwood system, and deteriorating and undersized residential lines in localized areas which could adversely affect fire flows.

Based upon the CH2M Hill study, Gresham staff began planning for the future improvements of the Rockwood system to address the deficiencies. Over \$13 million in improvements tied to the Rockwood system have been identified over a ten-year period. These improvements are detailed in Exhibit D.

Storage capacity. As Exhibit E indicates, the Rockwood Water District is expected to need between 21 million and 22.6 million gallons of storage by the year 2005 to meet its contractual requirements with the City of Portland, from whom Rockwood purchases its water. Exhibit E also notes that the District needs between 16.6 million and 17.4 million gallons of storage in 1990. The District's system presently can provide only 8.5 million gallons of storage. These estimates are slightly lower than an estimate provided in 1975 by then District Manager Harold Fisher, detailed in Exhibit G, which indicated that the District would need 23 million gallons and 30 million gallons of storage by 1980 and 2000, respectively.

We have been informed that Rockwood has recently purchased additional storage capacity from the Powell Valley Water District in an effort to address its storage shortfall. However, the additional storage will not meet the proposed PUD's ultimate needs.

Gresham's water storage capacity is also presently undersized. However, as Exhibit F indicates, the completion of a ten million gallon reservoir now under construction will accommodate the needs of the system until the year 2000.

Substandard transmission mains and residential lines. As Exhibit C notes, the Rockwood system is in need of substantial upgrade to its main transmission lines and substandard residential lines. The deficiency in residential lines is particularly vexing, as these lines will not deliver enough water to adequately fight a structural fire. The City requires residential water lines to be either six or eight inches in diameter; four-inch residential lines are considered to be substandard.

FINANCIAL CAPABILITY

The deficiencies in the Rockwood Water District would not be of as much concern to the City if the District would plan for the upgrade of those deficiencies. Unfortunately, the District appears to have neither the resources nor the intent to fix these deficiencies.

In early 1989, the City contacted Rockwood to request copies of the District's latest master plan, rate study, and capital improvement program. In a letter from the District Manager (Exhibit H), Rockwood indicated that the latest rate study had been performed in 1976, that there was no master plan in existence, and that, anticipating a phaseout of the District, there was only a two-year CIP.

Subsequently, the District prepared a five-year CIP; that document is attached as Exhibit I. The five-year CIP allots between \$650,000 and \$750,000 per year to long-term infrastructure improvements; in contrast, Gresham budgets more than \$2 million annually for the upgrading of its system. It appears clear from the district's CIP that not enough is being done to address the deficiencies and plan for a long-term provision of service to its customers.

Further, Gresham financial staff analyzed Gresham's and Rockwood's water systems in March to determine the relative financial positions of the two systems (Exhibit J). The study found that Rockwood does not have the financial resources to carry out a significant upgrade of the magnitude suggested by the master plan. The analysis shows that Gresham's fund equity is approximately seventy percent more than Rockwood's, and that Gresham's available resources for capital construction is more than three times that of Rockwood. Considering that the two systems are of comparable size, the analysis concludes that, "without increasing their revenues, Rockwood will not have the resources to maintain its system at the level we (Gresham) are maintaining ours".

GRESHAM'S FINANCIAL INVESTMENT

Since the 1984 agreement, the City has begun the capital planning and investment process necessary to integrate the two water systems. This integration involves, among other projects, the construction of a ten million gallon reservoir needed to furnish storage capacity to the

system, at an estimated cost of \$6 million. (A significant portion of the reservoir's capacity is being built to meet Rockwood's shortfall in storage capacity.) Additional projects include modifications to metering stations, installation of pressure reducing stations, an update of the master plan, oversizing of extant water lines, and extensions of major transmission mains. Gresham anticipates spending more than \$10.3 million over a seven-year period in projects which will benefit the Rockwood system (Exhibit K).

These capital improvements have been planned as part of an overall strategy to incorporate the two water systems into one. If a PUD is allowed to form, the investment already made will have to be borne by the customers of the Gresham water system, and future improvements will be the responsibility of Rockwood PUD customers at a substantially higher cost than originally contemplated.

IMPACT ON ECONOMIC DEVELOPMENT

The presence of two water systems within the City has some adverse impacts on the ability of the City to upgrade its infrastructure to promote economic development. As the map (Exhibit B) indicates, a PUD as proposed would have serious impacts upon the future development of the City's industrial area to the north. Water service is critical to the development of new industry, and the existence of a special water provider will lead to some uncertainty as to the PUD's ability to provide a sufficient supply. Further, it is in the City's interest to have all necessary services under its control, so that the economic development process can be better carried out. A separate service district is entirely outside the City's control, and inhibits it from making the necessary investment to achieve its economic development objectives.

LEGAL ISSUES

In addition to the historical, technical and financial issues, there appear to be several legal issues which could impact the formation of a PUD. First, our City Attorney has advised us that it is not legal to include a portion of a municipality within the "affected territory" of a PUD without the consent of the City Council. The Gresham City Council has not "consented" to the inclusion of a portion of the municipality within the affected territory of the proposed Rockwood Water PUD. Further, ORS 261.030 provides that a PUD may not "interfere with or exercise any control over any existing utility owned and operated by any ...municipality in the district unless by consent of the ...city council." The proposed Rockwood Water PUD violates this section because Gresham operates a water utility and the Gresham City Council has not consented to the interference.

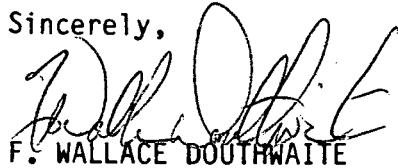
In summary, the City of Gresham has serious concerns about the feasibility of the proposed PUD, and believes that the customers of the proposed PUD will be better served in the future by a transition

Gladys McCoy, Chair
Board of County Commissioners
November 21, 1989
Page 5

into the Gresham system. The City of Gresham has demonstrated its ability to adequately plan for and fund needed improvements to the system; the Rockwood Water District and, by inference, a proposed PUD has not demonstrated that ability.

If the County Commission has any additional questions, or needs any more information prior to issuing its findings, please let me know. I appreciate the opportunity to address you tonight.

Sincerely,



F. WALLACE DOUTHWAITE
City Manager

FWD:sbe

Attachments

EXHIBITS

EXHIBIT A.	1984 Gresham-Rockwood Withdrawal Agreement
EXHIBIT B.	Map of Gresham/Rockwood Service Areas
EXHIBIT C.	Gresham Water Master Plan Excerpts
EXHIBIT D.	10-year Needs Assessment - Rockwood Service Area
EXHIBIT E.	Rockwood Future Storage Requirements
EXHIBIT F.	Gresham Future Storage Requirements
EXHIBIT G.	1975 Summary of Rockwood Storage Requirements
EXHIBIT H.	Letter from Rockwood Manager - Future Planning Efforts
EXHIBIT I.	Rockwood Five-year CIP
EXHIBIT J.	Financial Background - Rockwood/Gresham Systems
EXHIBIT K.	Gresham's CIP to Address Rockwood Deficiencies

**Agreement Between Rockwood Water
District and the City of Gresham**

Exhibit A

AGREEMENT

This agreement is between the CITY OF GRESHAM, an Oregon Municipal Corporation (City) and the ROCKWOOD WATER DISTRICT, an Oregon Municipal Corporation (District).

RECITALS

A. This agreement is executed under the authority of ORS chapter 190.

B. The City has a legal duty to coordinate its consideration of annexations with the other affected governmental entities. This agreement is the result of coordination efforts by the City with the District.

C. The City has a policy of allowing requested annexations to its corporate limits of property located in the District.

D. The District supports the concept that citizens may select for themselves whether they wish to be annexed to the City.

E. The City and the District are committed to providing a continued supply of fresh water to District customers.

F. The District realizes that if annexation occurs it is in the best interest of employees and customers to have entered into an agreement with City.

G. Both the City and the District are committed to the withdrawal of District water services in a planned, orderly, and cost effective manner after annexation to the City.

H. Both the City and the District intend that withdrawal will not occur until all City annexations in the District's areas have been approved by the Boundary Commission, unless the District agrees to an earlier withdrawal.

THE CITY AND DISTRICT AGREE

1. Effective Date This agreement shall commence on March 22, 1984, and shall continue in effect until June 30, 1989, or until City and District agree to written amendments.

2. Obligations of District

A. The District agrees to provide fresh water services to any property annexed to the City that, as of July 1, 1983, was within the boundaries of the District. Such services shall be the same as those offered to customers residing within the boundaries of the District.

B. The District further agrees to coordinate and assist the City in resolving any special service problems that may exist following any annexation. The District further agrees to contract with the City to provide service to areas north and adjacent to District boundaries but within City boundaries. The costs of such services will be recovered by the District from either such customers or the City.

3. Obligations of City

A. The City agrees not to withdraw services from annexed areas until after providing the District with at least six months written notice, and to make such withdrawals effective on the first day of any fiscal year, July 1st.

B. The City agrees to forward any District water system development charges and other water permit or fees levied against customers in annexed but unwithdrawn areas to the District.

C. Upon withdrawal the City agrees to provide permanent full-time employment to the District employees displaced by the withdrawal. Such employment transfer will be made in accordance with ORS Chapter 236. However, the City agrees to place transferred employees in positions comparable to the positions they held with the District. The determination of which employee(s) will be transferred will be made as follows:

- 1) The District will decide which position(s) are no longer needed at least three months prior to withdrawal.
- 2) The District will ask individual employees if they wish to accept a transfer to the City.

4. Joint Obligations

A. Upon withdrawal the City and the District agree to make an equitable division and disposal of assets in accordance with ORS chapter 222.

B. The City and the District agree that if the City is not satisfied with the property division made by the District under ORS 222.540, or if, within 30 days from the effective date of the withdrawal, the District has failed to make a division, City may request arbitration as provided in paragraph 5 of this agreement.

C. The City and the District agree that ORS 222.550 shall apply when the City has withdrawn the greater portion of the District measured by the comparative assessed valuations of the portion withdrawn and the portion of the City's urban service boundary remaining in the District.

5. Arbitration

All claims and disputes regarding this agreement shall be arbitrated in conformance with the rules and procedures of the American Arbitration Association upon the written request of either party. An arbitrator shall be selected within 15 days of such request, and the arbitrator's decision shall be issued within 60 days of selection.

6. Attorney's Fees

In the event of any arbitration or legal action brought by either party against the other to enforce this agreement or arising from any dispute concerning this agreement, the losing party shall pay the prevailing party's costs and expenses, including attorney's fees in such arbitration or action, and any appeal therefrom as may be set by the court or the arbitrator.

ROCKWOOD WATER DISTRICT

By: Charles Root
Charles Root, Manager

Dated: 3/20/84

By: Michael M. [Signature]

Dated: March 29, 1984

CITY OF GRESHAM

By: Margaret Weil
Margaret Weil, Mayor

Dated: 3/22/84

By: James R. Keller
James R. Keller, City

Dated: 3/22/84

ADDENDUM TO AGREEMENT

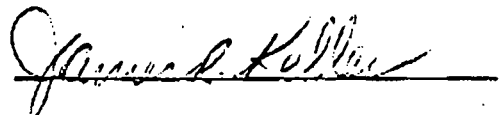
This annexation includes the Rockwood Water District Headquarters and Facilities required to conduct business and provide services to the customers of Rockwood Water District. If at any time withdrawal is requested, Rockwood would request and Gresham would agree to exclusion of the property until total dissolution of the District.



Charles L. Root
Acting District Manager
Rockwood Water District

Date

3/30/84



James R. Keller
City Manager
City of Gresham

Date

3/30/84

Map: Gresham & Rockwood Service Areas

Exhibit B

Water System Master Plan

Exhibit C

WATER SYSTEM MASTER PLAN



CHM HILL

MAY 1986

Section 1 INTRODUCTION

CREDITS

CH2M HILL is appreciative, and would like to thank everyone, for all the help provided by the City of Gresham and the Rockwood Water District staffs in gathering data and critiquing the master planning effort as the project developed.

AUTHORIZATION

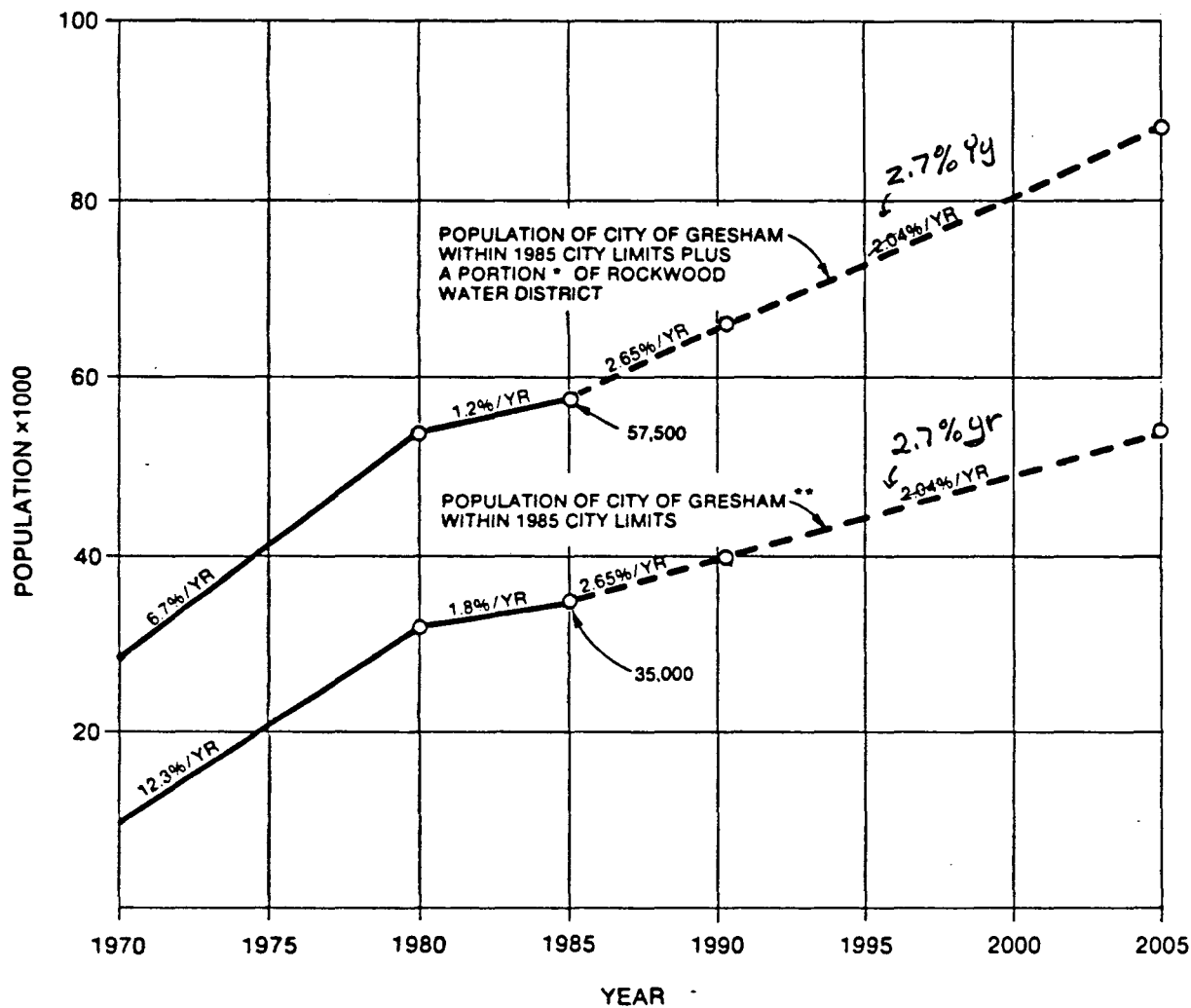
A Consulting Services Agreement to prepare a Water System Master Plan was authorized by the City of Gresham on November 12, 1985. This plan was prepared in accordance with the scope outlined in the Agreement.

PURPOSE

The purpose of this study is to provide the City of Gresham (COG) with a Water System Master Plan. This study is an update and will be a replacement for the Water System Master Plan (dated April 1983) prepared for the City by CH2M HILL. The Master Plan, which will serve as the principal working document for water demand planning, primarily addresses methods for providing quality water service to the residents of the City of Gresham. The plan itself is conceptual in nature and should be considered a general guide.

COMPREHENSIVE PLAN

Gresham's Comprehensive Plan, adopted in 1980, identifies a land development process and requires the City to effectively plan, program, and budget capital improvements. Volume 2 of



* AREA OF ROCKWOOD WATER DISTRICT WHICH MAY BE ANNEXED BY CITY OF GRESHAM IN THE FUTURE (INSIDE GUSA)

** GRESHAM WATER CUSTOMERS WHO ARE WITHIN CITY LIMITS

FIGURE 2-1
POPULATION PROJECTION

system will require improved transmission and distribution to this area in order to provide adequate service.

- A distribution pipeline weakness in the Gresham system presently exists in southwest Gresham. City of Gresham staff said when the 20-inch pipeline on Eastman Avenue is out of service, the quantity of water needed to meet the demand of southwest Gresham is limited by flow through a 6- and 8-inch pipeline section on S.W. Florence Avenue and Florence Court.

Rockwood Water District. The computer analysis of the RWD area inside the GUSA only modeled looped transmission pipelines of 8-inch diameter and larger. This portion of the RWD system was found to be well looped and generally strong, but with the following weaknesses:

- The majority of the water to meet the system demand enters the RWD system through the Cleveland Street master meter connection to the Portland Water Bureau's Bull Run Conduit No. 4. During maximum day and peak hour demand periods, the velocity in the 14-inch pipeline will become quite high (over 8 fps) as industrial development of the Fujitsu site comes on line.
- The transmission capability of the RWD is limited by a 4-inch diameter pipeline along 202nd Avenue between the master meter taps on S.E. Division Street (near Grant Butte) and N.E. Glisan Street.
- The north/south transmission capability of the pipeline on S.E. 181st Avenue could be improved by a larger size pipeline between East Burnside Street and N.E. Glisan Street.

- The majority of the RWD storage (inside the GUSA) is ground level, and the water requires pumping to be delivered into the water system. No backup power source is currently available for the reservoir booster pump stations. The RWD's elevated storage inside the GUSA is either out of service indefinitely, or it has an overflow elevation considerably lower than the hydraulic grade line of the adjacent distribution pipelines. Thus, these reservoirs are of minimal operational value.
- The RWD distribution system contains some undersized (less than 6" diameter) and O.D. steel pipelines. The small pipelines, where they are looped into the system, could limit domestic and fire flows in localized areas. Older O.D. steel pipelines in water systems in Oregon have been found to be sources of water loss because of pipeline leaks.
- Although fire hydrants have been added to the RWD system as part of an ongoing program, there are still areas where more hydrants should be installed to bring the spacing up to industry standards.

Appendix D
GRESHAM/RWD MAJOR IMPROVEMENTS

The City of Gresham has annexed a portion of the Rockwood Water District (RWD) east from S.E. 162nd Avenue to S.E. 202nd Avenue and north from N.E. Halsey Street to the Columbia River. This area is currently served by the RWD and contains major RWD facilities including the RWD office and shops, a 5-mg reservoir, two wells, and a pump station.

It is the policy of the City to provide water service to residents inside the City limits whenever possible. An evaluation was made of system improvements that would be required to serve future growth, new pressure zones, and facility transfer to the City.

The estimated project cost for the major system improvement to serve current and future customers in this area would include the following:

- 5,400 feet of 16-inch pipeline along N.E. Halsey Street between S.E. 181st Avenue and N.E. 202nd Avenue (\$415,000) (Pressure Zone Transition).
- 2,100 feet of 16-inch pipeline along N.E. 201st Avenue from N.E. Halsey Street to the Banfield Freeway (\$160,000).
- 1,500 feet of 18-inch pipeline along San Rafael Street from 196th Avenue to 201st Avenue (\$130,000).
- 2,200 feet of 16-inch pipeline along Sandy Blvd. between 188th and 197th Avenue (\$170,000).

- 2,000 feet of 16-inch pipeline along 181st Avenue from Wilkes Road to Sandy Blvd (\$155,000).
- 1,200 feet of 18-inch pipeline along Sandy Blvd. between 181st Avenue and 185th Avenue (\$100,000).
- 3,300 feet of 16-inch pipeline along 201st between Sandy Blvd. and Interlachen Lane (\$255,000).
- 3,900 feet of 12-inch pipeline south of Marine Drive between 185th Avenue and Interlachen Lane (\$240,000).
- 3,500 feet of 16-inch pipeline along Sandy Blvd. between 166th Avenue and 181st Avenue (\$270,000).
- 2,100 feet of 16-inch pipeline along N.E. 169th Avenue from Wilkes Road to Sandy Blvd (\$160,000).
- 4,000 feet of 12-inch pipeline along Marine Drive and Interlachen Lane between 185th Avenue and 201st Avenue (\$250,000).
- 3 PRVs at interties to area served by RWD's Cascade Reservoir (overflow 260 ft.). Interties on 181st Avenue and 201st Avenue near Banfield Freeway (\$60,000).

The above cost estimates are in 1986 dollars and will need to be adjusted over time.

For the purpose of this study, the majority of the improvements have been projected for construction during 1991-1996. These projects should be reviewed annually, expediting those

projects necessary to achieve the City's growth, needs and objectives. These improvements are shown in Figures 5-3 and 6-1.

**10-Yr. Needs Assessment
Rockwood Service Area**

Exhibit D

	A	B	C	D	E	F	G	H	I	J	K	L	M
1						ROCKWOOD WATER DISTRICT							
2						REVISED CAPITAL IMPROVEMENT PROGRAM							
3						WATER SYSTEM PROJECTS							
4						10 YEAR - CIP							
5													
6			THE FOLLOWING ANALYSIS REFLECTS ESTIMATE FOOTAGES OF PIPE LINES BY YEAR & UTILIZES CH2M-HILLS 1986 CONSTR. COST ESTIMATE [adjusted].										
7			THIS ANALYSIS ASSUMES ALL 3/4" SERVICES WILL BE REPLACED DURING CONSTRUCTION & REQUIRED HYDRANTS INSTALLED.										
8			ALSO ASSUMES PORTLAND HAS WITHDRAWN ALL WATER FACILITIES FROM ROCKWOOD W.D. IN ANNEXED AREAS.										
9													
10			PARAMETERS OF ANALYSIS:		1. 1989 & 90 ADJ. INSTALLATION COST PER L. FOOT								
11						8" DI	\$50	ESTIMATES ASSUME IMPORTED BACKFILL, REQUIRED PAVEMENT,					
12						10" DI	\$57						
13						12" DI	\$67						
14						16" DI	\$83						
15						18" DI	\$92						
16						2. SERVICE REPLACEMENT ASSUMES INSTALLING 2 NEW 3/4" SERVICES PER 80 LF OF PIPE INSTALLED							
17						3. INSTALLATION ESTIMATE COST (\$250./ SERVICE), LARGER SERVICES SHOULD BE							
18						INDIVIDUALLY ESTIMATED							
19						4. MUELLER 6" FIRE HYDRANT ASSEMBLY INSTALLED AT 700 FT. SPACING (\$2,000/ UNIT)							
20													
21				RWD	DUCTILE	PIPE	10 YEAR				CIP		
22			PROJECT DESCRIPTIONS	CIP	IRON	LENGTH	RECOMM.				BUDGET YEAR		REMARKS
23				NUMBER	PIPE SIZE	LIN. FEET	BUDGET	1989/90	1990/91	1991/92	1992/93	1993/94	
24	1		GRANT BUTTE 11 MG RESERVOIR	NEW	20"	3000	\$6,000,000	\$0	\$3,300,000	\$2,600,000	\$100,000	\$0	2 1/2 YR. PROJ.
25													
26	2		PORTLAND W. B. METERING STATION	NEW	NA	NA	\$150,000	\$50,000	\$50,000	\$50,000	\$0	\$0	UP-GRADE &
27			MODIFICATIONS										MODERNIZE
28													
29	3		PRESSURE REDUCING STATIONS	NEW			\$100,000	\$0	\$0	\$0	\$50,000	\$50,000	TWO P. ZONES
30													
31	4		WELLFIELD CL2 & DETENTION	NEW	24"	2,200	\$400,000	\$0	\$400,000	\$0	\$0	\$0	ABANDON WELLS
32			FACILITIES INSTALLATION										OR TREAT
33													
34	5		WATER SYSTEM AERIAL MAPPING	NEW	NA	NA	\$100,000	\$70,000	\$30,000	\$0	\$0	\$0	MAPPING UPDATE
35			& DATABASE DEVELOPMENT										
36													
37	6		WATER RATES ANALYSIS &	NEW	NA	NA	\$120,000	\$0	\$60,000	\$0	\$0	\$20,000	3 STUDIES
38			COST OF SERVICE STUDY										
39													
40	7		WATER MASTER STUDY		NA	NA	\$120,000	\$0	\$50,000	\$0	\$0	\$0	2 STUDIES
41													
42	8		WATER TELEMETY SYSTEM ANALYSIS		NA	NA	\$50,000	\$0	\$50,000	\$0	\$0	\$0	OPR. STUDY
43			MINOR MODIFICATIONS				\$60,000	\$0	\$0	\$20,000		\$20,000	IMPROVEMENTS
44													
45	9		TWO EMERGENCY POWER STATIONS			2	\$200,000			\$100,000		\$100,000	RESERV. SITES
46													
47	10		MAJOR WATER REPLACEMENTS		NA	NA	\$2,500,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	LEAKS/SIZE
48													

	B	C	D	E	F	G	H	I	J	K	L	M
49			RWD	DUCTILE	PIPE	10 YEAR			CIP			
50		PROJECT DESCRIPTIONS	CIP	IRON	LENGTH	RECOMM.			BUDGET YEAR			REMARKS
51			NUMBER	PIPE SIZE	LIN. FEET	BUDGET	1989/90	1990/91	1991/92	1992/93	1993/94	
52												
53	11	NE 212ND AVE. (CLAY/STARK)		12"	3,300	\$221,000	\$0	\$0	\$0	\$221,000	\$0	TRANSM.
54												
55	12	SE DIVISION ST (SE 199TH/202AVE.)		16"	1,000	\$83,000	\$83,000	\$0	\$0	\$0	\$0	SIZE
56												
57	13	NE HALSEY (NE 181ST/201ST)	NEW	16"	5,500	\$457,000	\$0	\$0	\$0	\$0	\$0	1995/96
58												
59	14	STARK ST. (NE 223RD ST/HOGAN DR.)		12"	3300	\$221,000	\$221,000	\$0	\$0	\$0	\$0	CO. ST. PROJECT
60												
61	15	SE 223RD AVE. (STARK/GLISAN)		16"	3,300	\$274,000	\$274,000	\$0	\$0	\$0	\$0	CO. ST. PROJECT
62												
63	16	CDBG PROJECTS 4RD YEAR	NA			NA	\$0	\$0	\$0	\$0	\$0	FED. GRANT
64												NOT AVAILABLE
65	17	CDBG PROJECTS 5TH YEAR	NA			NA	\$0	\$0	\$0	\$0	\$0	TO RWD
66												
67												
68	18	SAN RAFAEL (194TH/201ST)		10"/18"	1,800	\$266,000	\$0	\$0	\$0	\$266,000	\$0	TRANSM. LOOP
69												
70	19	176TH ST (DIV. / STARK)		12"	5,400	\$362,000	\$0	\$0	\$0	\$0	\$0	TRANSM.
71												
72												
73	20	181ST ST (BURNSIDE / GLISAN)		20"	1600	\$160,000	\$0	\$0	\$0	\$0	\$160,000	TRANSM.
74												
75	21	NE 202ND AVE (DIV. ST/GLISAN ST.)		12"	8300	\$689,000	\$0	\$0	\$289,000	\$400,000	\$0	SIZE/TRANSM.
76												
77	22	NE 242ND AVE (STARK/GLISAN)		12"	3,200	\$215,000	\$0	\$0	\$0	\$0	\$215,000	CO. ST. PROJECT
78		GLISAN ST. (HOGAN AVE. WEST)		12"	2,200	\$147,000	\$0	\$0	\$0	\$0	\$0	1994/95
79												
80	23	NE 201ST AVE (NE HALSEY / I-84)		16"	2,400	\$199,000	\$0	\$0	\$0	\$0	\$0	TRANSM.
81												
82	24	CLINTON ST. (185TH/188TH)	NEW	12"	1,200	\$80,000	\$0	\$0	\$0	\$0	\$0	SIZE/TRANSM.
83												
84	25	DIVISION ST. (176TH/182ND)	NEW	12"	1,700	\$114,000	\$0	\$0	\$0	\$0	\$0	TRANSM.
85												
86		SUBTOTAL			49,402	\$13,288,000	\$948,000	\$4,190,000	\$3,309,000	\$1,287,000	\$815,000	
87												
88	I	NORTH GRESHAM (HWY #84 NORTH)		12"/16"	23,000	\$1,909,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	ANNUAL COST
89												
90		GRAND TOTAL CONSTR. BUDGET			72,402	\$15,197,000	\$1,148,000	\$4,390,000	\$3,509,000	\$1,487,000	\$1,015,000	LINES & TANKS
91												
92												
93												

**Rockwood Water District
Future Storage Requirements**

Exhibit E

ROCKWOOD WATER DISTRICT

REVISED RESERVOIR REQUIREMENT & POPULATION PROJECTIONS
(WITHIN THE GUSA & WITH FUJITSU)

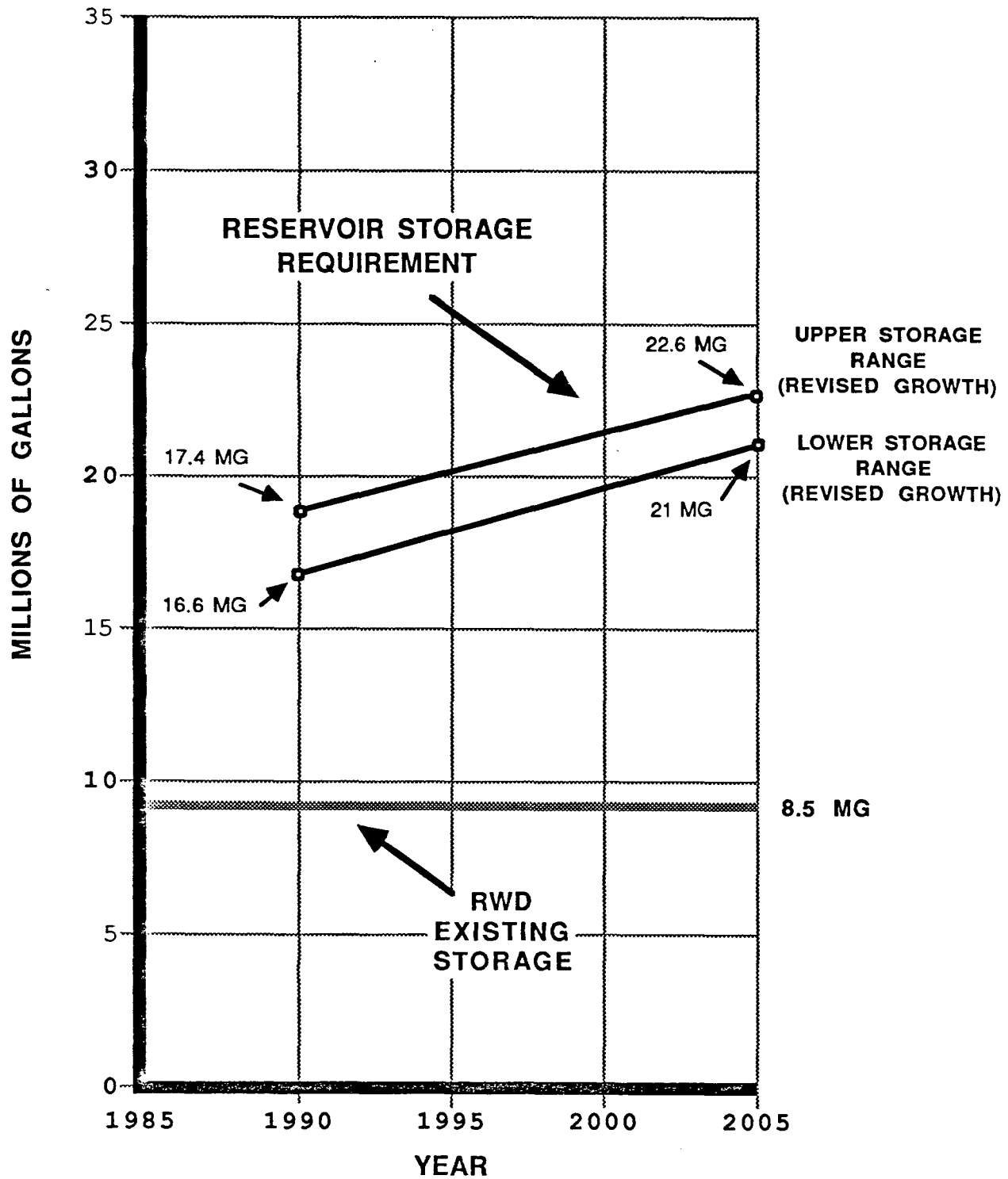
TIME PERIOD	MASTER STUDY PROJECTIONS 2.65%/YR & 2%/YR	% INCREASE	ACTUAL GROWTH BASED ON METER SETS AND ORDERS	% INCREASE	REMARKS
DEC. 31, 1985	22,500	-	22,500		1986 MASTER WATER STUDY
1985/86	22,798	1.30%	NA		
1986/87	23,402	2.65%	NA		
1987/88	24,022	2.65%	NA		
1988/89	24,659	2.65%	NA		
1989/90	25,312	2.65%	NA		
DEC. 31, 1990	25,648	1.30%	25,648		1986 WATER STUDY PROJECTIONS
DEC. 31, 2005	34,727	35.40%	38,215	49%	NEW POPULATION INCR. PROJECTIONS 2.7 %/YEAR

ROCKWOOD WATER DISTRICT WITH FUJITSU
RECOMMENDED STORAGE RANGE REQUIREMENTS
BASED ON PROJECTED OR ACTUAL POPULATION

RESERVOIR STORAGE RANGE REQUIREMENT	MASTER WATER STUDY STORAGE SIZE PROJECTION	STORAGE SIZING REFLECTS PROJECTED GROWTH OF 2.7% FOR 1990-ON & FIRE FLOWS OF 7,500 GPM FOR 4 HOURS	REMARKS
DEC. 31, 1990			
METHOD 1 STORAGE RANGE	16.6 MG	NA	MIN. STORAGE REQUIREMENTS-BASED ON 3 DAY DEMAND
METHOD 2	17.4 MG	NA	(MAX DAY + AVE. DAY) DEMAND+FIRE FLOW REQUIREMENTS
DEC. 31, 2005			
METHOD 1 STORAGE RANGE	19.7 MG	21 MG	MIN. STORAGE REQUIREMENTS-BASED ON 3 DAY DEMAND
METHOD 2	21.1 MG	22.6 MG	(MAX DAY + AVE. DAY) DEMAND+FIRE FLOW REQUIREMENTS

NOTE : RWD'S PRESENT RESERVOIR STORAGE IS 8.5 MG WITH
NO ADDITIONAL STORAGE CAPACITY IS PROJECTED OR SCHEDULED

ROCKWOOD WATER DISTRICT SERVICE AREA REVISED STORAGE REQUIREMENTS (within GUSA, including Fujitsu)



Existing storage capacity

Projected storage requirements - Based on actual growth

Gresham Future Storage Requirements

Exhibit F

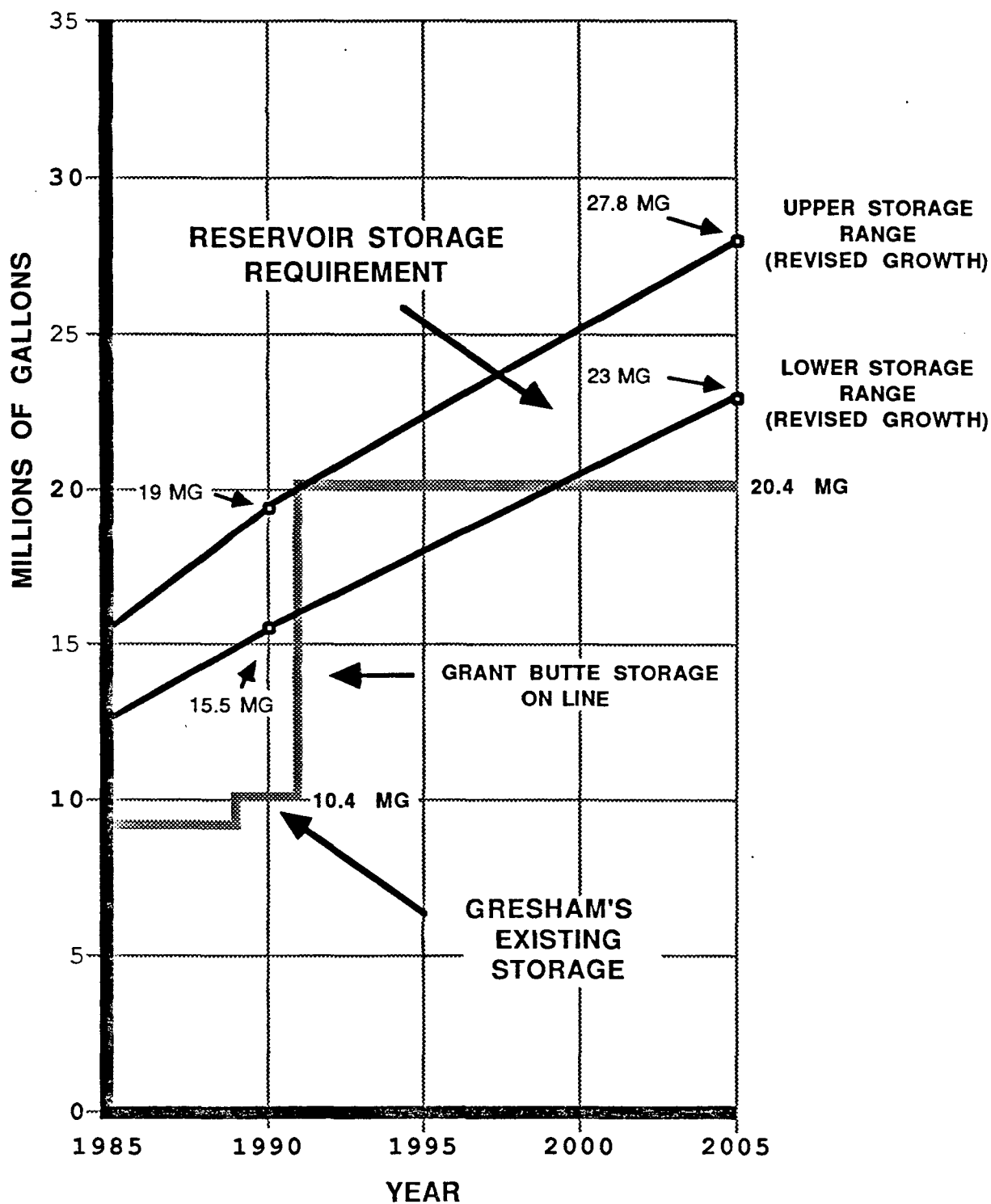
CITY OF GRESHAM
REVISED RESERVOIR REQUIREMENT & POPULATION GROWTH
SEPT. 26, 1989

TIME PERIOD	MASTER STUDY PROJECTIONS 2.65%/YR	% INCREASE	ACTUAL GROWTH BASED ON METER SETS AND ORDERS	% INCREASE	REMARKS
DEC. 31, 1985	35,000	-	35,000	-	1986 MASTER WATER STUDY
1985/86	35,464	1.30%	35,464	1%	
1986/87	36,404	2.65%	36,364	3%	
1987/88	37,368	2.65%	37,594	3%	
1988/89	38,358	2.65%	38,534	3%	
1989/90	39,375	2.65%	42,384	10%	HIGH MULT. FAMILY UNIT DEVELOPMENT
DEC. 31, 1990	39,897	1.30%	43,855	3%	CONTINUED MULT. FAMILY DEVELOPMENT
DEC. 31, 2005	54,013	35.40%	65,101	49%	NEW POPULATION INCR. PROJECTIONS 2.7 %/YEAR

**RECOMMENDED STORAGE RANGE REQUIREMENTS
BASED ON PROJECTED OR ACTUAL POPULATION**

RESERVOIR STORAGE RANGE REQUIREMENT	MASTER WATER STUDY STORAGE SIZE PROJECTION	ACTUAL GROWTH BASED ON METER SETS AND METER ORDERS STORAGE SIZE	REMARKS
DEC. 31, 1990	14.0 MG	15.5 MG	MIN. STORAGE REQUIREMENTS-BASED ON 3 DAY DEMAND (MAX DAY + AVE. DAY) DEMAND+ FIRE FLOW REQUIREMENTS
METHOD 1 STORAGE RANGE METHOD 2			
	17.5 MG	19.0 MG	
DEC. 31, 2005	19.0 MG	23.0 MG	MIN. STORAGE REQUIREMENTS-BASED ON 3 DAY DEMAND (MAX DAY + AVE. DAY) DEMAND+ FIRE FLOW REQUIREMENTS
METHOD 1 STORAGE RANGE METHOD 2			
	23.3 MG	27.8 MG	

CITY OF GRESHAM SERVICE AREA REVISED STORAGE REQUIREMENTS



Existing storage capacity
Projected storage requirements - Based on actual growth

Summary: RWD Future Storage Requirements

Exhibit G



CORNELL, HOWLAND, HAYES & MERRYFIELD
200 S.W. Market, 12th Floor, Portland, Oregon 97201
Telephone: (503) 224-9190, TWX: 910-464-4720, Cable: CH2MHILL

Portland Regional Office

13 January 1975

P8146.0

Rockwood Water District
18302 S.E. Stark
Portland, Oregon 97233

Attention: Mr. Harold Fisher, Manager

Gentlemen:

Subject: Reservoir Sites for
Rockwood Water District

Enclosed with this letter are 12 figures that project water demands and reservoir requirements for the Rockwood Water District. Figure No. 1 projects the water consumptions and storage requirements for four water districts in East Multnomah County and Figures No. 2 through No. 12 depict reservoir layouts on two reservoir sites (195th and N.E. Halsey and the west side of Grant Butte) and a proposed sequence of construction.

Figure No. 1 shows the projected maximum day demands, storage requirements, and storage deficiencies within four (Rockwood, Parkrose, Hazelwood, and Richland) water districts in East Multnomah County. You can see that without additional construction all four water districts are now or will be deficient in water storage by 1980. We have also predicted the year 2000 reservoir storage requirements.

Using the reservoir predictions for the year 2000 on Figure No. 1, reservoir layouts are shown on Figures No. 2 through No. 12 which depict a construction sequence that will satisfy the storage requirements for your district. You should realize that the construction projects shown on the attached

Rockwood Water District

Page 2

13 January 1975

P8146.0

figures are not all required now; however, to properly phase your construction program to meet the existing and future needs of Rockwood Water District, we suggest that planning be started now to acquire the necessary property for all of the proposed reservoirs.

If you have any questions or would like additional information, please call.

Very truly yours,

Michael D. Larkin

Michael D. Larkin

1a

Enclosures

FIGURES

Figure Number

- 1 Projected Maximum Day Demands, Storage Requirements, and Storage Deficiency for Four Water Districts in East Multnomah County
- 2 Low Level Well and Reservoir Site on Halsey Street
- 3 Grant Butte Reservoir Site with Proposed Development of 3 - 10 MG Reservoirs (Rockwood W.D.) and 1 - 5 MG Reservoir (City of Gresham)
- 4 Grant Butte Reservoir Site with 1 - 10 MG Reservoir Under Construction
- 5 Grant Butte Reservoir Site with 1 - 10 MG Reservoir In Service
- 6 Grant Butte Reservoir Site with 1 - 10 MG Reservoir In Service and 1 - 10 MG Reservoir Under Construction
- 7 Grant Butte Reservoir Site with 2 - 10 MG Reservoirs In Service
- 8 Grant Butte Reservoir Site with 2 - 10 MG Reservoirs In Service and 1 - 10 MG Reservoir Under Construction
- 9 Grant Butte Reservoir Site with 3 - 10 MG Reservoirs In Service
- 10 Cross-Section No. 1 Through First 10 MG Reservoir
- 11 Cross-Section No. 2 Through Second 10 MG Reservoir
- 12 Cross-Section No. 3 Through Third 10 MG Reservoir

Figure 1

PROJECTED MAXIMUM DAY DEMANDS

Water Dist.	1980			2000		
	Estimated Population	Per Capita Demand	System Demand	Estimated Population	Per Capita Demand	System Demand
Rockwood	39,000 ¹	(425 gpcd) ⁴	17 mgd	43,000 ¹	(500 gpcd) ⁴	22 mgd
Parkrose	15,000 ²	430 gpcd ² (425 gpcd) ⁴	6 mgd	22,000 ²	525 gpcd ² (500 gpcd) ⁴	11 mgd
Hazelwood	19,000 ¹	415 gpcd ³ (425 gpcd) ⁴	8 mgd	20,000 ¹	(500 gpcd) ⁴	10 mgd
Richland	4,000 ¹	(425 gpcd) ⁴	2 mgd	4,000 ¹	(500 gpcd) ⁴	2 mgd
	77,000		33 mgd	89,000		45 mgd

STORAGE REQUIREMENTS

Water Dist.	1980			2000		
	Estimated Population	Per Capita Demand	Storage Required	Estimated Population	Per Capita Demand	Storage Required
			Avg Day + Max Day + Fire			
Rockwood	39,000 ¹	(165 gpcd) ⁴	23 mg	43,000 ¹	(200 gpcd) ⁴	30 mg ⁵
Parkrose	15,000 ²	165 ² (165 gpcd) ⁴	7 mg	22,000 ²	200 ² (200 gpcd) ⁴	13 mg
Hazelwood	19,000 ¹	146 ³ (165 gpcd) ⁴	9 mg	20,000 ¹	(200 gpcd) ⁴	12 mg
Richland	4,000 ¹	(165 gpcd) ⁴	2 mg	4,000 ¹	(200 gpcd) ⁴	2 mg
	77,000		41 mg	89,000		57 mg

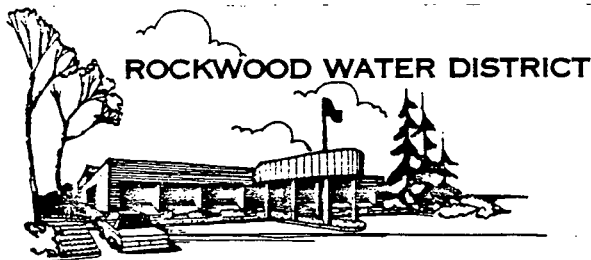
STORAGE DEFICIENCY

Water Dist.	Existing Storage	Storage Req'd		Storage Deficiency	
		1980	2000	1980	2000
Rockwood	1.7 mg	23 mg	30 mg	21 mg	28 mg
Parkrose	4.5 mg	7 mg	13 mg	2 mg	8 mg
Hazelwood	1 mg±	9 mg	12 mg	8 mg	11 mg
Richland	-±	2 mg	2 mg	2 mg	2 mg

¹ 1973 CRAG Projections² 1974 Water Study³ 1968 Water study⁴ Estimated for this analysis.⁵ Includes 4 mg required for low level

**Letter from RWD Manager:
Future Planning Efforts**

Exhibit H



19601 N.E. HALSEY, PORTLAND, OREGON 97230-7489
665-4179

February 23, 1989

Mr. Gregory E. DiLoreto, P.E.
City Engineer
City of Gresham
1333 NW Eastman Parkway
Gresham OR 97030-3825

Dear Greg:

To assist the City Council on February 28th, 1989, we have included two documents for you.

The first document is a two year C.I.P., instead of a five year. We operate on the amount of time we anticipate being in existence.

The second document is the 1976 rate study done for us by CH2M/Hill. Our last rate increase was July 1982. The manager at that time was also the manager when the 1976 study was done. He simply used the procedures of the 1976 study, updated them with current information, and this was the documentation and justification for the 1982 rate increase. As you know, there is a tendency to try to have rates be applicable for at least five years. Rockwood has now gone almost seven years at the same rates, and at this point in time we feel our rates will still be appropriate for the next two years. We do not see a need for a rate study or increase during that time.

Rockwood Water District was considering a water master plan at the same time Gresham was considering and contracting to have one developed for them. A decision was made at that time that since everyone was trying to annex the Water District out of existence the very next year, that the money could better be spent by "putting it in the ground", instead of paying for a master plan. For this reason we do not have one.

It is hoped the foregoing material will be of assistance to the City Council.

Very truly yours,

Duane E. Robinson
District Manager

mvh
Enclosures

RECEIVED

FEB 24 1989

CITY OF GRESHAM

Rockwood Water District 5-Yr. CIP

Exhibit I

Rockwood Water D.

RECEIVED

SEP 1 1989

5 YEAR PROPOSED C.I.P.

CITY OF GRESHAM

1989-90

Estimated Cost

NE 201st, Halsey to Thompson 2,000' - 16"/12" replacing 8" od	140,000
--	---------

NE 160th, Burnside to Holladay 2,800' - 8" replacing 4" od	112,000
	<u>252,000</u>

SE Stark St, 162nd to 182nd 5,250' - 12" replacing 8"	262,500
--	---------

SE 162nd, Stark to Burnside 1,000' 12" replacing 6" od	50,000
---	--------

SE 162nd, Stark, south 600' 12" replacing 8" od	27,000
--	--------

SE Alder St, 162nd west 1,300' 10"/8" replacing 4" od, c.i.	52,000
	<u>391,500</u>

643,500

Hydrant Installations

6,500

TOTAL	650,000
-------	---------

Additional projects if bids are under estimate:

NE 183rd, Glisan north 400' 8" replacing 4" od	17,500
---	--------

SE Washington Ct, 175th east 200' 6" extension	8,500
---	-------

1990-91 - Year 2

Estimated Cost

NE Sandy Blvd, 189th to 201st 2,100' - 18" extension	147,000
NE 152nd, Hoyt to Holladay 1,000' - 8" replacing 4"	50,000
NE 153rd, Hoyt to Holladay 1,000' - 8" replacing 4"	<u>50,000</u> 247,000
NE 201st, Glisan to SE Stark 2,700' - 18" replacing 4"	270,000
NE 160th, Holladay to Halsey 1,300' - 8" replacing 4"	58,500
SE 140th, Mill north 700' 8" extension	<u>24,500</u> 403,000
TOTAL	<u>650,000</u>

Additional projects:

SE Stephens St, 142nd west 500' 6" extension	30,000
SE 208th, Morrison 100' 8" extension	5,000

1991-92 - Year 3

Estimated Cost

SE 148th Ave, Division to Burnside
6,500' - 16" replacing 12" od
Booster pump/control station

500,000

SE 155th, Burnside to Stark
1,000' - 8" replacing 4"

55,000

NE 167th Place, Couch to Glisan
1,200' - 6" replacing 4"

72,000
627,000

Miscellaneous hydrant installations/ties

23,000

TOTAL 650,000

1992-93 - Year 4

Estimated Cost

NE 168th Avenue, Couch to Glisan 1,200' - 8" replacing 4"	75,000
SE 167th, Stark to Burnside 1,150' - 8" replacing 4"	72,500
SE Ankeny Street, 165th to 167th/SE 166th, Ankeny south 800' - 6" replacing 4"	40,000
NE Wasco Street, 162nd to 169th 1,800' - 8" replacing 4" od	
NE Multnomah Street, 162nd to 165th 900' - 6" replacing 4" od	
NE Holladay, 162nd to 165th	
NE Hassalo, 165th to 169th 1,800' - 8" replacing 4"	
NE 165th, Holladay to Wasco 700' - 8" replacing 4"	338,000
SE Mill Street, 162nd, east 2,600' 8" replacing 4"	<u>145,000</u>
TOTAL	670,000

1993-94 - Year 5

Estimated Cost

Sonoma Park Subdivision

SE 175th, Division to Brooklyn
1,200' - 8" replacing 4"

SE 176th Place, Division to Haig Drive
2,600' - 8" replacing 4"

SE 175th Place, Tibbetts south 500'
6" replacing 4"

SE Tibbetts, 182nd to 175th
2,000' - 12"/8" replacing 4"

SE Kelly, 180th to SE 177th
1,000' - 6" replacing 4"

SE Haig Drive, 182nd to 176th
1,500' - 8" replacing 4"

SE 177th, SE 178th, SE 179th, SE 180th, Haig to Kelly
2,800' - 6" replacing 4"

TOTAL 750,000 -

Background Information

Exhibit J

CITY OF GRESHAM

BACKGROUND INFORMATION ON THE ROCKWOOD MERGER

Prepared for
F. Wallace Douthwaite
City Manager

Prepared by
Financial Operations Division

March 17, 1989

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Available Resources for Capital Construction Chart	9
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Comparison of Gresham/Rockwood Water Rates	11-13

ROCKWOOD MERGER OVERVIEW

1. Both Rockwood and Gresham water operations have the same purpose: Its to provide water service to its customers and maintain the water system to allow for continuation of this service.
2. Rockwood and Gresham water system operations are comparable in size. The number of accounts serviced, water sales revenues, operating expenses, and net operating income can be compared directly.
3. In comparing these factors we have determined that the water sales revenues are not significantly different between the two systems. This means that the overall charges to each system's water customers are very close to being equal. This is to be expected by similarly sized operations.

Although the revenue streams to support operations show similar amounts, the sources by which revenues are generated are not similar. Rockwood charges business users a greater water rate to support operations than Gresham does.

In comparing operating expenses we again find that there is no significant difference between the two systems. It should be noted that both Gresham and Rockwood buy water from Portland for resale. In Gresham, as water sales have increased, purchases of water have also increased. Rockwood water district has also had an increase in water sales, but has actually reduced its water purchases from Portland. It is unclear from the financial statements how Rockwood has increased sales without additional purchases or increased reliance on their well.

4. Gresham's infrastructure. (reservoirs, pump stations, and lines) are of significantly greater value than Rockwood's. However, the infrastructure of both systems is being depreciated, or wearing out, at the same dollar amount. This means that Rockwood's infrastructure has a shorter life expectancy than Gresham's. Rockwood, therefore, should be making capital improvements at a higher rate than Gresham to maintain their system. This has not been the case.
5. A review of the financial statements has determined that Rockwood does not have the available resources that Gresham has for system maintenance or expansion. This means that without increasing their revenues, Rockwood will not have the resources to maintain its system at the level we are maintaining ours.
6. Gresham accumulates sewer development charges and bond proceeds to fund major capital construction. Net operating income proceeds are not significant in the funding of capital improvement projects. Rockwood water district does not have reserves available for significant construction.

WATER PURCHASES
From Financial Statements

<u>Year</u>	<u>City of Gresham</u>	<u>Rockwood Water District</u>
84-85	595,360	654,418
85-86	692,942	869,529
86-87	731,408	828,420
87-88	776,236	787,996

WATER SALES
From Income Statement

<u>Year</u>	<u>City of Gresham</u>	<u>Rockwood Water District</u>
84-85	2,202,792	2,092,633
85-86	2,376,429	1,958,492
86-87	2,525,068	2,281,690
87-88	2,410,016	2,294,719

OPERATING NET INCOME

<u>Year</u>	<u>City of Gresham</u>	<u>Rockwood Water District</u>
84-85	698,962	420,328
85-86	692,307	(19,299)
86-87	563,819	308,440
87-88	273,176	370,412

OPERATING EXPENSES
Including Depreciation

<u>Year</u>	<u>City of Gresham</u>	<u>Rockwood Water District</u>
84-85	1,503,830	1,672,305
85-86	1,684,122	1,977,791
86-87	1,961,249	1,973,250
87-88	2,136,840	1,924,307

FUND EQUITY
From Balance Sheet

<u>Year</u>	<u>City of Gresham</u>	<u>Rockwood Water District</u>
84-85	13,122,716	9,965,947
85-86	14,735,793	9,920,132
86-87	15,891,284	10,763,575
87-88	17,139,595	11,462,312

NET FIXED ASSETS (INFRASTRUCTURE)

<u>Year</u>	<u>City of Gresham</u>	<u>Rockwood Water District</u>
84-85	10,528,311	8,993,728
85-86	11,004,748	9,230,300
86-87	11,549,481	10,065,589
87-88	13,102,450	10,561,930

AVAILABLE RESOURCES
From Balance Sheet

<u>Year</u>	<u>City of Gresham</u>	<u>Rockwood Water District</u>
84-85	3,321,829	1,680,801
85-86	4,517,703	1,312,301
86-87	5,095,572	1,079,070
87-88	4,741,603	1,449,139

WATER PURCHASES

DOLLARS

1,000,000

800,000

600,000

400,000

200,000

0

1985

1986

1987

1988

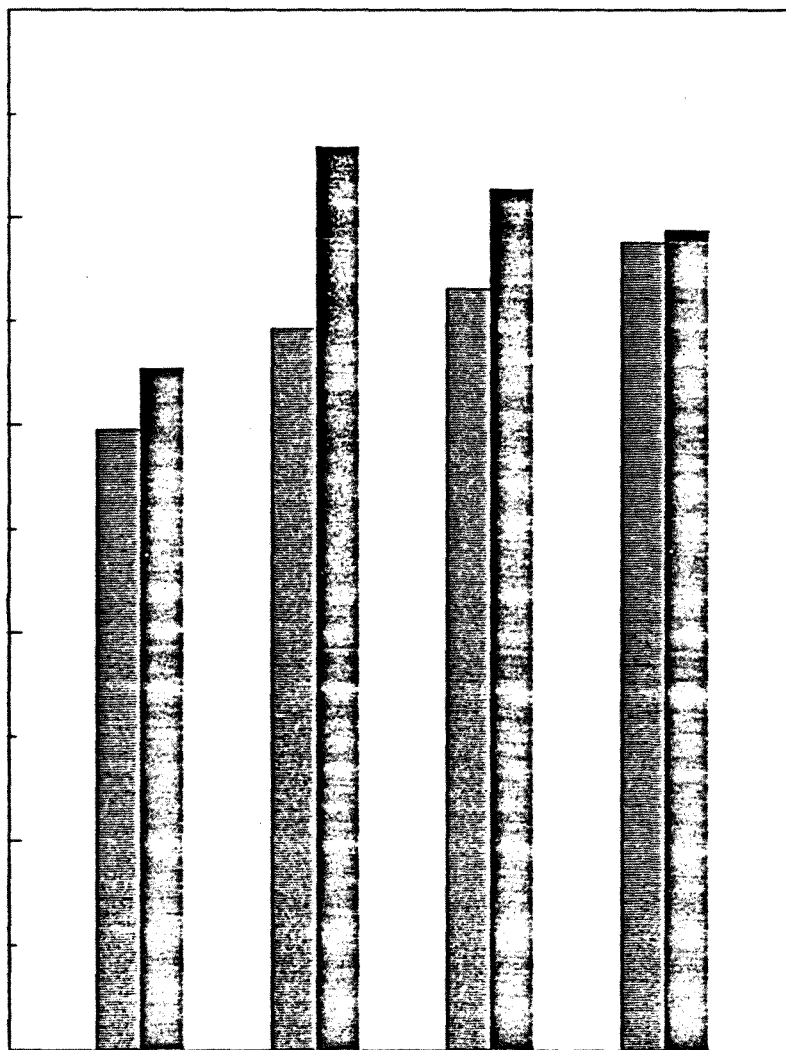
YEARS



Gresham



Rockwood



WATER SALES

DOLLARS

3,000,000

2,500,000

2,000,000

1,500,000

1,000,000

500,000

0

1985

1986

1987

1988

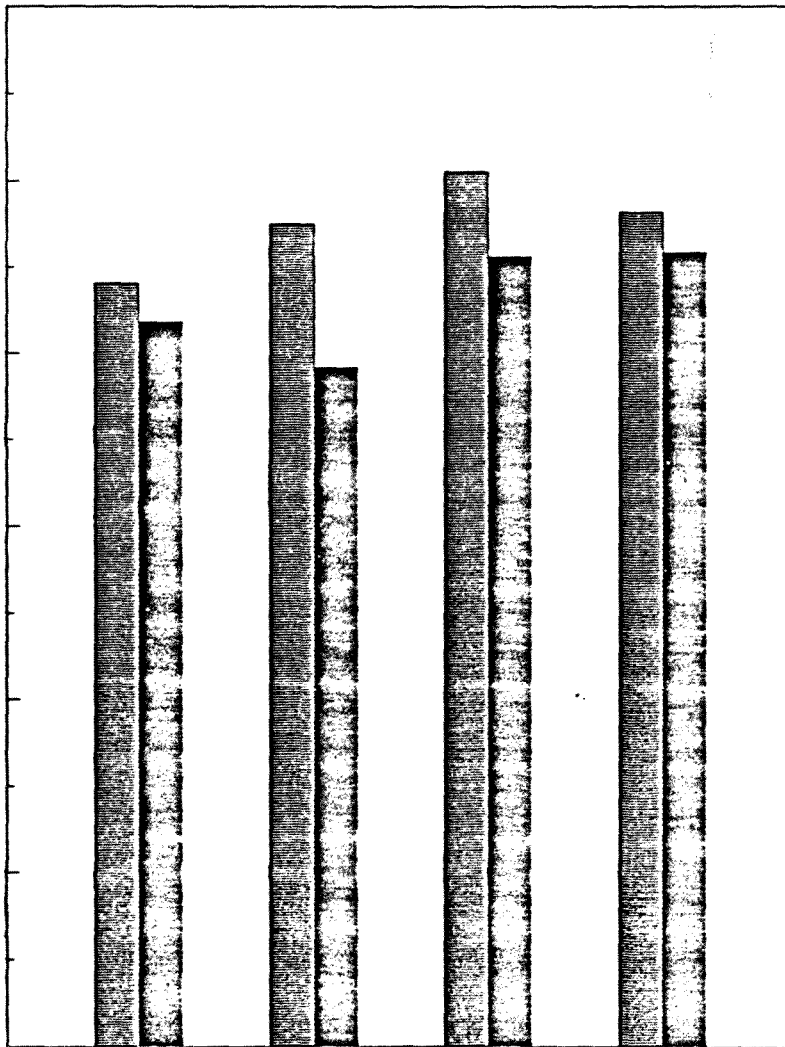
YEARS



Gresham

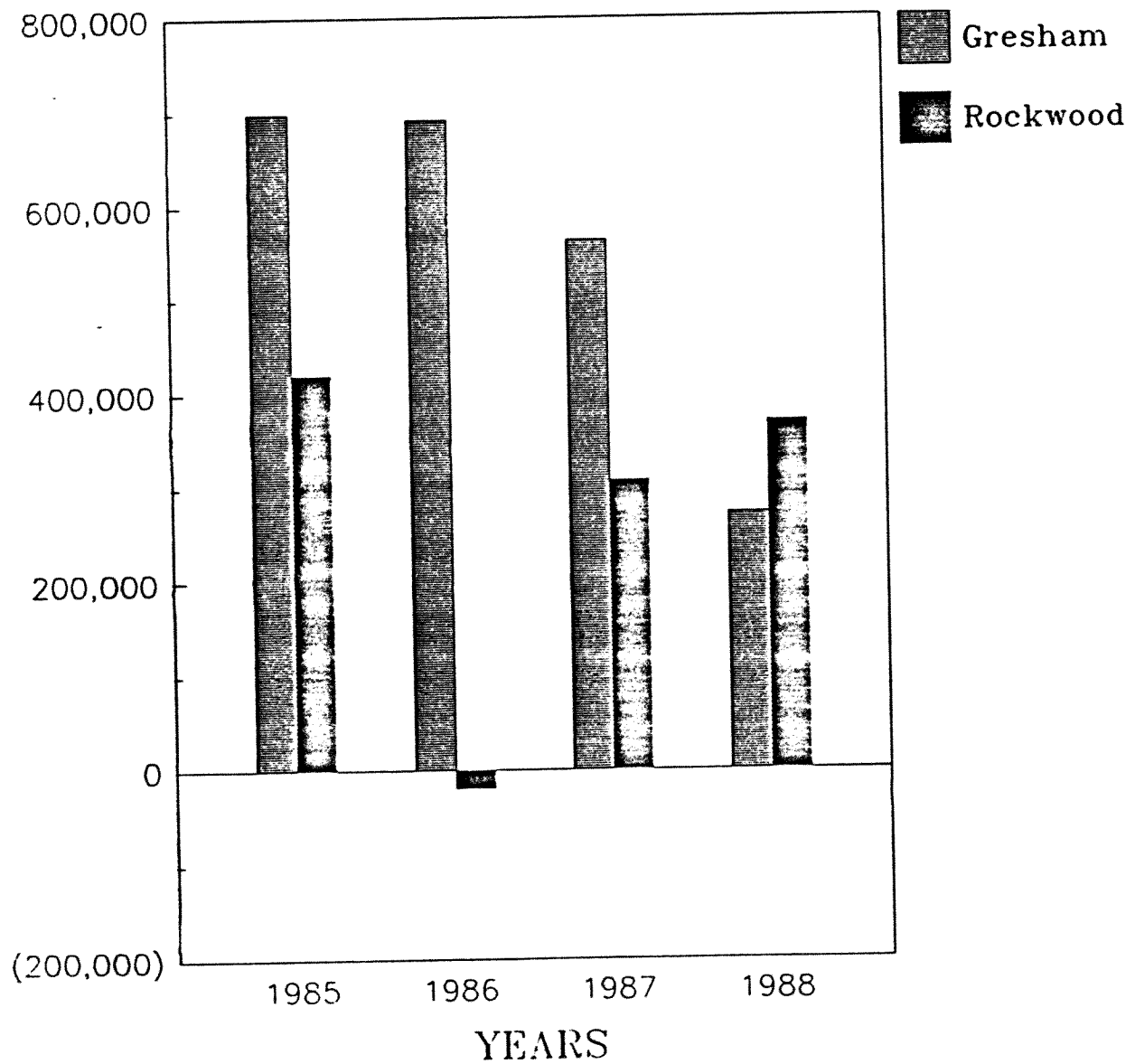


Rockwood



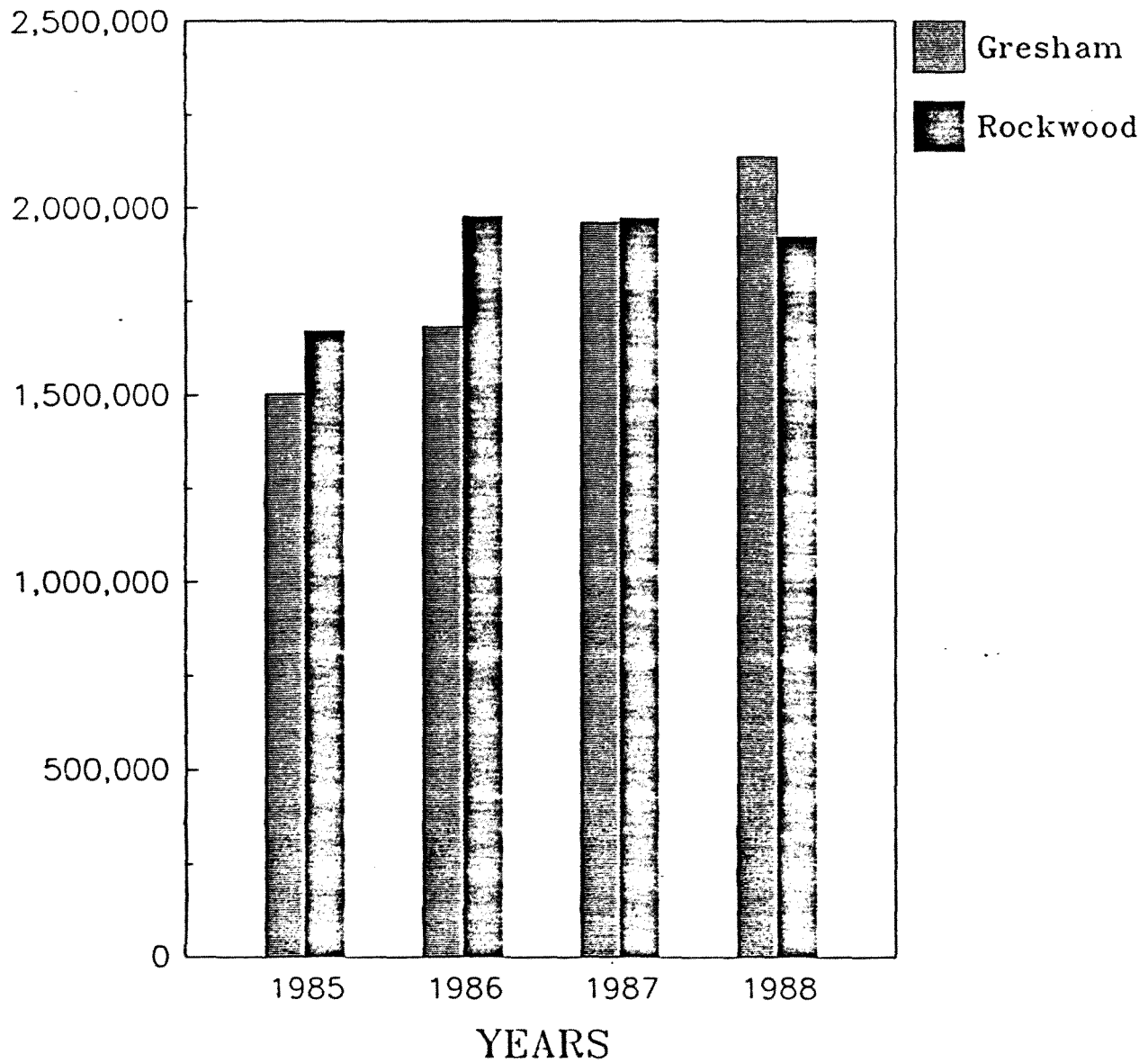
OPERATING NET INCOME

DOLLARS



OPERATING EXPENSES

DOLLARS



FUND EQUITY

DOLLARS

20,000,000

15,000,000

10,000,000

5,000,000

0

1985

1986

1987

1988

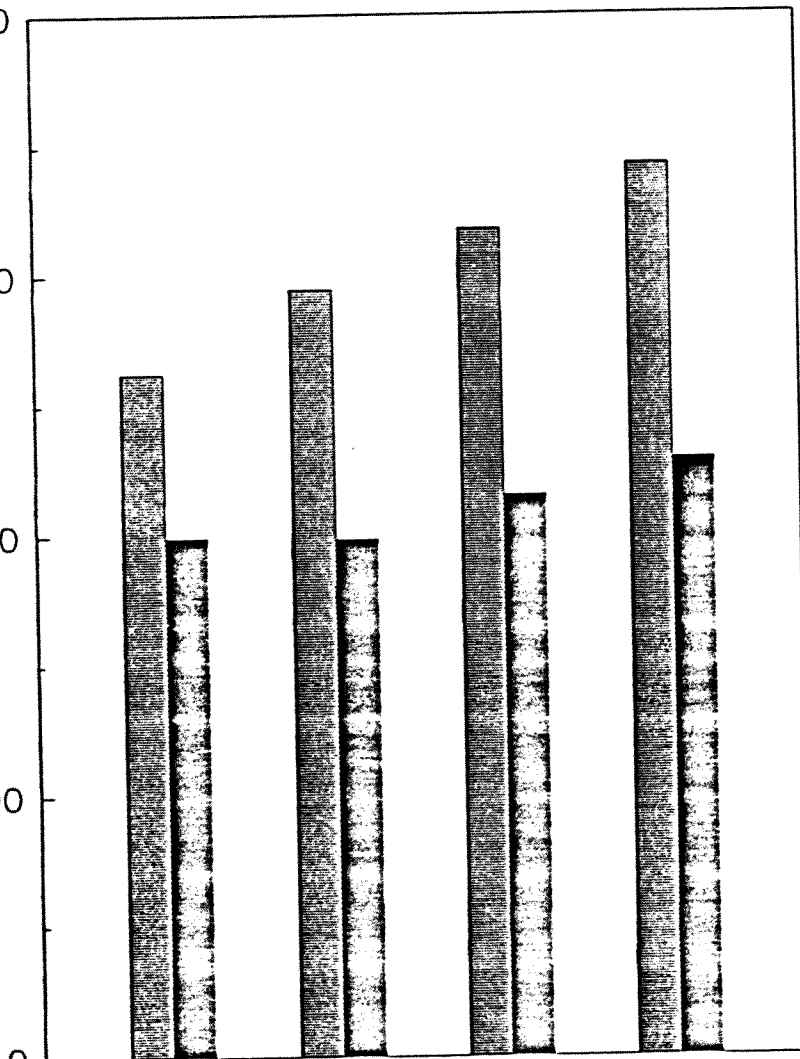
YEARS



Gresham

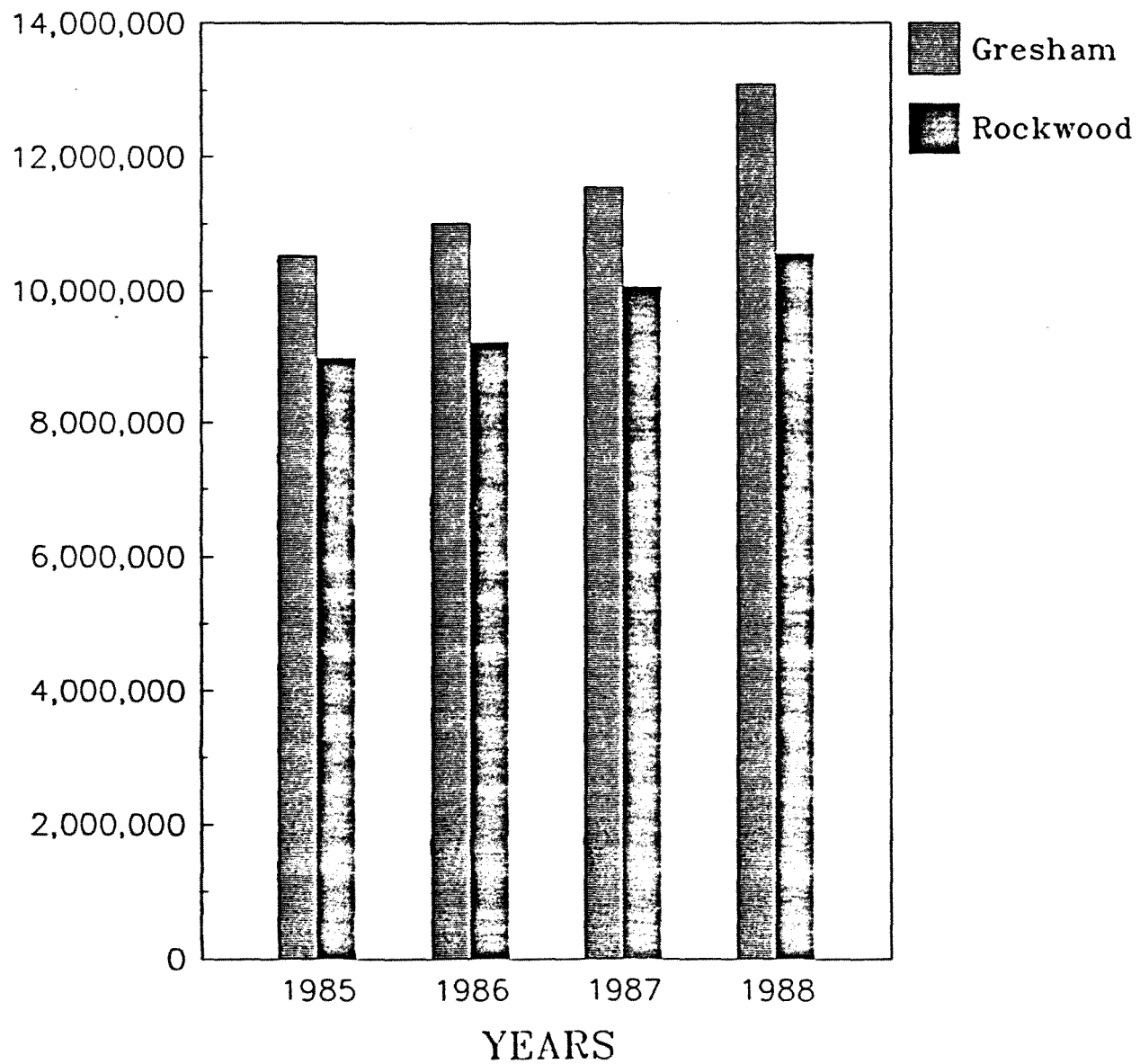


Rockwood



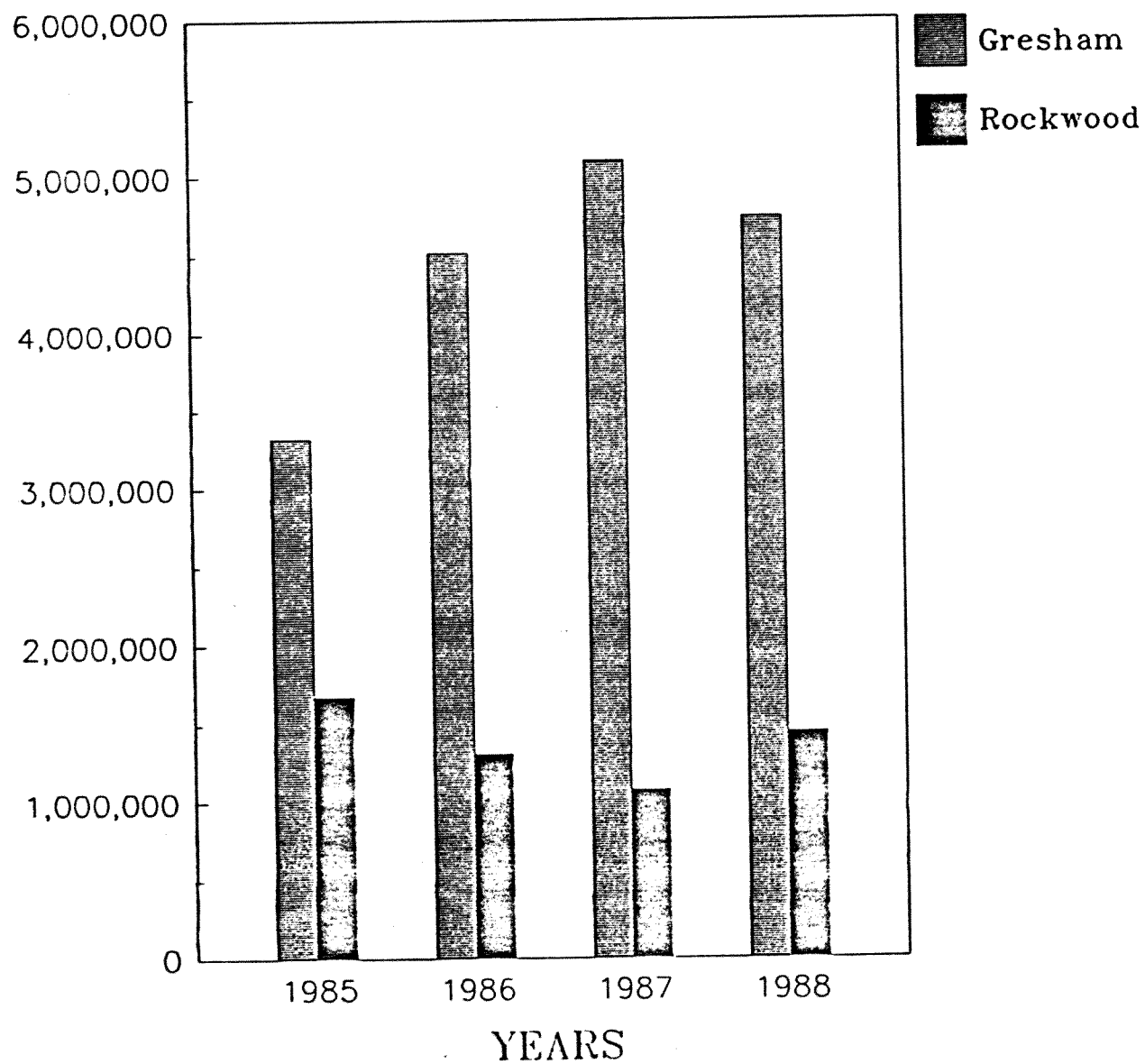
NET FIXED ASSETS (INFRASTRUCTURE)

DOLLARS



AVAILABLE RESOURCES FOR CAPITAL CONSTRUCTION

DOLLARS



1987-1988 OPERATING REPORT COMPARISON

	<u>Gresham</u>	<u>Rockwood</u>
WATER ACCOUNTS	10,900	11,500 (approx)
OPERATING REVENUES:		
Residential & Commercial Water Service	2,392,063	2,294,719
Other	17,953	40,508
Total Revenues	<u>2,410,016</u>	<u>2,335,227</u>
OPERATING EXPENSES:		
Salaries	424,022	583,872
Materials & Services	1,024,625	1,022,547
Depreciation	318,527	317,888
Personnel Overhead/Equipment Capital/ Water Distribution System Construction Expenses	55,187	40,508
Administrative Charges	314,479	-
Total Operating Expenses	<u>2,136,840</u>	<u>1,964,815</u>
Operating Income	<u>273,176</u>	<u>370,412</u>
NON-OPERATING INCOME (EXPENSE):		
Interest Expense	(78,440)	(55,900)
Interest Income/Miscellaneous	508,770	114,364
Other	142,236	26,565
Total Non-Operating Income	<u>572,566</u>	<u>85,029</u>
Net Income	<u>845,742</u>	<u>455,441</u>

COMPARISON OF GRESHAM AND ROCKWOOD WATER RATES

These rate comparisons were calculated using the average water consumption and meter size of Gresham water customers. The most typical user classes are itemized, listing the percentage of the difference between the rates.

In general, the following represents the major differences and similarities between districts.

- Similarities: Both districts charge on a bi-monthly basis.
 Both districts charge a flat fee based on the meter size.
 Both districts charge residential properties the highest fee per 100 cubic feet of water.
- Differences: Rockwood includes 700 cubic feet of water consumption in their bi-monthly administrative charge.
 Gresham charges for water consumption beginning with 100 cubic feet (no minimum in the administrative charge).
 The average Gresham residence pays \$.44 per day during the winter months.
 The average Rockwood residence pays \$.31 per day during the winter months.

The customers whose bill will reflect the largest reduction when serviced by Gresham will be:

- Those with meters three inches or larger
- Those with fire meters or fire lines

USER TYPE	GRESHAM /100CF	ROCKWOOD /100CF	BI-MONTHLY GRESHAM BILL	BI-MONTHLY ROCKWOOD BILL	BI-MO DIFF	% DIFF
DOMESTIC:						
Residential	\$1.02	\$0.87				
5/8" + 17 units			\$26.59	\$18.70	\$7.89	42% ↑
5/8" + 50 units			\$60.25	\$47.41	\$12.84	27% ↑
Duplex	\$1.02	\$0.87				
5/8" + 40 units			\$50.05	\$42.62	\$7.43	17% ↑
Multi-Family	\$0.98	\$0.86				
1" + 130 units			\$137.45	\$118.28	\$19.17	16% ↑
2" + 412 units			\$422.06	\$380.85	\$41.21	11% ↑
Restaurant	\$0.78	\$0.81				
Heidi's: 2" + 728.5 units			\$586.53	\$616.97	\$30.44	5% ↓
Sizzler's: 1 1/2" + 362 units			\$296.31	\$309.25	\$12.94	4% ↓
McDonald's: 1" + 316.5 units			\$256.92	\$263.20	\$6.28	2% ↓
Service Station	\$0.78	\$0.81				
1" + 42 units			\$42.81	\$40.85	\$1.96	5% ↑
Church	\$1.01	\$0.81				
East Hill: 4 + 1" + 273 units			\$315.33	\$321.96	\$6.63	2% ↓
4" Fire Line			\$11.40	\$53.00	\$41.60	78% ↓
TOTAL BILL			\$326.73	\$374.96	\$48.23	13% ↓
Mt View Christian: 1" + 188.3 units			\$200.26	\$159.35	\$40.91	26% ↑
Salvation Army: 5/8" + 14.3 units			\$23.69	\$15.91	\$7.78	49% ↑
School-Elementary	\$1.01	\$0.81				
1 1/2" + 95 units			\$109.90	\$92.98	\$16.92	18% ↑
4 + 1" + 266 units			\$308.26	\$316.29	\$8.03	3% ↓
School-High School	\$1.01	\$0.81				
GUHS: 1 1/2" + 92.5 units			\$107.38	\$90.96	\$16.42	18% ↑
4 + 1" + 790.8 units			\$838.31	\$741.38	\$96.93	13% ↑
1 1/2" + 3.5 units			\$17.50	\$21.70	\$4.21	19% ↓
5/8" + 156.7 units			\$167.52	\$131.27	\$36.26	28% ↑
TOTAL BILL			\$1,130.70	\$985.30	\$145.40	15% ↑
General Commercial	\$0.78	\$0.81				
Safeway: 2" + 232.33 units			\$199.52	\$215.07	\$15.55	7% ↓
2" + 446.3 units			\$366.41	\$388.38	\$21.97	6% ↓
TOTAL BILL			\$565.93	\$603.45	\$37.52	6% ↓
GI Joes: 1 1/2" + 24.3 units			\$65.82	\$69.90	\$4.08	6% ↓
4" Fire			\$11.40	\$53.00	\$41.60	78% ↓
TOTAL BILL			\$77.22	\$122.90	\$45.68	37% ↓
Fred Meyer: 4 + 1" + 1,778.5 units			\$1,426.83	\$1,541.42	\$114.59	7% ↓
10" Fire Line			\$28.50	\$323.00	\$294.50	91% ↓
TOTAL BILL			\$1,455.33	\$1,864.42	\$409.09	22% ↓
Bank (FIB): 1" + 24.3 units			\$29.03	\$26.51	\$2.52	10% ↑

USER TYPE	GRESHAM /100CF	ROCKWOOD /100CF	BI-MONTHLY GRESHAM BILL	BI-MONTHLY ROCKWOOD BILL	BI-MO DIFF	% DIFF
-----------	-------------------	--------------------	----------------------------	-----------------------------	---------------	-----------

Commercial continued:

7-11 Store: 5/8" + 37.6 units \$38.63 \$34.84 \$3.79 11% |

Office Products: 5/8" + .5 units \$9.65 \$10.00 \$.35 4% |

Oregon Trail Shopping Center:

1" + 153.8 units \$130.01 \$131.41 1.40 1% |

2" + 61.5 units \$66.27 \$76.70 \$10.43 14% |

1" + 265 units \$216.75 \$221.48 \$4.73 2% |

1" + 362.8 units \$293.03 \$300.70 \$7.67 3% |

1" + 450.3 units \$361.28 \$377.24 \$15.96 4% |

5/8" Fire Line \$2.85 \$10.00 \$7.15 72% |

6" Fire Line \$17.10 \$116.00 \$98.90 85% |

8" Fire Line \$22.80 \$205.00 \$182.20 89% |

TOTAL BILL \$1,110.09 \$1,438.53 \$328.44 23% |

Industrial \$0.78 \$0.78

Boyd: 2" + 5399 units \$4,229.52 \$4,238.31 \$8.79 .2% |

Cascade: 1 1/2" + 4" + 2284 units \$1,821.12 \$1,882.56 \$61.44 3% |

Fujitsu: 4" + 8" + 9471 units \$7,524.98 \$7,897.42 \$372.44 5% |

FIRE LINES:

2" \$5.70 \$16.00 \$10.30 64% |

4"* \$11.40 \$53.00 \$41.60 78% |

6"* \$17.10 \$116.00 \$98.60 85% |

8" \$22.80 \$205.00 \$182.20 89% |

10" \$28.50 \$323.00 \$294.50 91% |

*Most common size fire lines.

METER CHARGES (flat bi-monthly charge):

	GRESHAM RATE	ROCKWOOD RATE (includes 700 CF)
5/8" or 3/4"	\$9.25	\$10.00
1"	\$10.05	\$12.50
1 1/2"	\$13.95	\$21.70
2"	\$18.30	\$32.55
3"	\$27.80	\$62.20
4"	\$39.60	\$106.50
6"	\$66.85	\$232.00
8"	\$98.00	\$409.00
10"	\$155.10	\$646.00

RATE PER 100 CUBIC FEET OF WATER:

Residential	\$1.02	\$0.87
Multi-family	\$0.98	\$0.86
Commercial	\$0.78	\$0.81
Industrial	\$0.78	\$0.78
Schools and Churches	\$1.01	\$0.81

Gresham CIP To Address RWD Deficiencies

Exhibit K

CITY OF GRESHAM
CAPITAL IMPROVEMENT PROGRAM
COG/RWD WATER SYSTEMS
7 YEAR PERIOD

THE FOLLOWING ANALYSIS REFLECTS ESTIMATE FOOTAGES OF PIPE LINES BY YEAR & UTILIZES CH2M-HILLS 1986 CONSTR. COST ESTIMATE [adjusted]. THIS ANALYSIS ASSUMES ALL 3/4" SERVICES WILL BE REPLACED DURING CONSTRUCTION & REQUIRED HYDRANTS INSTALLED.

PARAMETERS OF ANALYSIS:

1. 1989 & 90 ADJ. INSTALLATION COST PER L. FOOT
2. SERVICE REPLACEMENT ASSUMES INSTALLING 2 NEW 3/4" SERVICES PER 80 LF OF PIPE INSTALLED
3. INSTALLATION ESTIMATE COST (\$250./ SERVICE), LARGER SERVICES SHOULD BE INDIVIDUALLY ESTIMATED
4. MUELLER 6" FIRE HYDRANT ASSEMBLY INSTALLED AT 700 FT. SPACING (\$2,000./ UNIT)

PROJECT DESCRIPTIONS	GRESHAM CIP NUMBER	DUCTILE IRON PIPE SIZE	PIPE LENGTH LIN. FEET	1987/90 COMPLETED PROJECTS	CIP BUDGET YEAR					REMARKS
					1990/91	1991/92	1992/93	1993/94	1994/95	
1 GRANT BUTTE 10 MG RESERVOIR	4024	20"	6000	\$2,700,000	\$2,360,000	\$200,000	\$0	\$0	\$0	GRESHAM/RWD
2 SE 223RD AVE. (STARK/GLISAN)	4098	16"	NA	\$264,000	\$0	\$0	\$0	\$0	\$0	MAJ. TIE TO RWD
3 WATER SYSTEM AERIAL MAPPING & DATABASE DEVELOPMENT	4121	NA	NA	\$53,000	\$52,000	\$20,000	\$10,000	\$0	\$0	WATERS SHARE COG/RWD
4 GRESHAM/RWD MAJOR INTERTIES	4066	NA	NA	\$5,000	\$110,000	\$0	\$0	\$0	\$0	GRANT B. AREA
5 STARK ST (NE223RD/HOGAN)	4062	18"	5000	\$357,540						MAJOR E/W TIE
6 CLEVELAND AVE. (RWD TAP/POWELL)	4059	16"	2965	\$215,152						DIV. INTERTIE
7 WATER TELEMTRY SYSTEM ANALYSIS	4097	NA	NA	\$20,000	\$0	\$0	\$0	\$0	\$0	COG/RWD
8 NE 181/I-84 INTERCHANGE	4127	16"	2,000	\$200,000	\$100,000	\$0	\$0	\$0	\$0	MAJ. INTERTIE
9 SANDY B. (175TH/185TH)	4128	16"	3,000	\$270,000	\$200,000	\$0	\$0	\$0	\$0	MAJ. INTERTIE & LOOPING
10										
11 NE 202ND AVE (POWELL/DIVISION)	4075	18"/20"	2700	\$10,000	\$220,000	\$70,000	\$0	\$0	\$0	TRANSM. NORTH
12 CHERRY PARK RD. (STARK ST NORTH)	4113	12"	700	\$46,000	\$0	\$0	\$0	\$0	\$0	TRANS. NORTH
13 POWELL VALLEY W.D. (INTERTIE WATER LINE PROJECTS)	4114	6"&12"	160	\$28,000	\$19,000	\$0	\$0	\$0	\$0	INTERTIES AT POWELL & MARIE

PROJECT DESCRIPTIONS	GRESHAM CIP NUMBER	DUCTILE IRON PIPE SIZE	PIPE LENGTH LIN. FEET	1987/90 COMPLETED PROJECTS	CIP BUDGET YEAR					REMARKS
					1990/91	1991/92	1992/93	1993/94	1994/95	
14 WATER RATES ANALYSIS & COST OF SERVICE STUDY	4111	NA	NA	\$58,000	\$0	\$0	\$0	\$0	\$60,000	RATE REVIEWS REQUIRED
15 NE 202ND AVE (DIV. ST/STARK ST.)	4072	12"	2900	\$0	\$0	\$55,000	\$175,000	\$0	\$0	TRANSM. NORTH
16 WATER MASTER STUDY	4106	NA	NA	\$70,000	\$0	\$0	\$60,000	\$20,000	\$0	5-7YR REVIEWS
17 SE DIVISION ST (SE 202TH/EASTMAN) DIV.& CLINTON (190TH/202ND AVE)	4103	12" 16"	5,000 3,600	\$0	\$0 \$5,000	\$200,000 \$160,000	\$202,000 \$150,000	\$0	\$0	TRANSM. EAST & WEST
18 DIVISION ST. (PS #2 / HOGAN DR.)	4082	18"	1,100	\$0	\$0	\$0	\$117,000	\$0		NEW FEED NORTH
19 MAJOR WATER REPLACEMENTS	4087	NA	NA	\$0	\$0	\$0	\$250,000	\$250,000	\$250,000	LEAKS/SIZE
20 NE 202ND (STARK /GLISAN) NE 202ND (HALSEY/GLISAN AVE)	4077	16"	2600 2600	\$0	\$0	\$0	\$0	\$240,000	\$0 \$225,000	TRANSM. NORTH RWD-TIES
21 SW HARTLEY (SW 2ND ST/SW 3RD ST)	4090	10"	250	\$0	\$0	\$0	\$0	\$17,000	\$0	RWD - TIE
22 SE 190TH (GRANT BUTTE R./SW 2ND)	4076	8"/20"	200	\$0	\$0	\$0	\$0	\$20,000	\$0	RWD - TIE
23 NE 201ST AVE (NE HALSEY / I-84)	4086	16"	2,300	\$0	\$0	\$0	\$0	\$0	\$220,000	S.SHORE/TRANSM.
24 NE 242ND AVE (STARK/GLISAN) GLISAN ST. (HOGAN AVE. WEST)	4101	12" 12"	2,600 2,200	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	TRANSM. NORTH & WEST-95/96
25 SAN RAFAEL ST (194TH/201ST)	NA	10"/18"	3,600	\$0	\$0	\$0	\$0	\$0	\$0	95/96 TRANSM.
26 NE HALSEY (NE 181ST/201ST)	4116	16"	5,500	\$0	\$0	\$0	\$0	\$0	\$0	1995/96 TRANSM.
GRAND TOTAL CONSTR. BUDGET			56,975	\$4,296,692	\$3,066,000	\$705,000	\$964,000	\$547,000	\$755,000	LINES & TANKS

FINANCIAL FEASIBILITY ROCKWOOD PEOPLES UTILITY DISTRICT

The withdrawal of service responsibilities from the Rockwood Water District will have significant financial consequences on its current customers. Customers absorbed by the city of Gresham can expect their rates to increase immediately by approximately thirty one percent (31%). Because of Gresham's ambitious water investment program, rates are expected to increase even more in the future. On the other hand, customers remaining in the Rockwood Water District will be subjected to a doubling of their water rates to cover costs. Alternately, if the Rockwood Peoples Utility District assumes water service delivery, rates will remain at their current level of 1.05/ccf.

Rockwood Water Peoples Utility District's boundaries are roughly 141st Avenue on the west, Interstate 84 on the north, 235th Avenue on the east and S.E. Division on the south. The most likely alternative to Rockwood Water Peoples Utility District's is that the fifty four year old district will be divided into three distinct pieces, the remaining Rockwood Water District, and the portions assigned to the cities of Gresham and Portland. The basic estimated data associated with each of these components is shown in Table I.

Detailed evaluations of the Rockwood Water District budget are performed to structure the initial financial considerations for Rockwood Water Peoples Utility District. The Rockwood Water District budget is separated into its major activities. Fixed, variable, direct and indirect costs are identified and assigned to performance measures to derive unit costs. The unit cost values

Table I - Basic Data for Alternative Rockwood Service Providers

MEASURE	Existing Rockwood	Remaining Rockwood	Gresham	Portland	P.U.D.
Bills Produced	86,228	27,615	50,415	8,198	82,646
Meter Readings	68,028	21,786	39,774	6,448	65,202
Water Sales (ccf)	2,300,000	460,000	1,631,000	209,000	2,208,684
Sales/Service (gd)	417	260	506	398	418
Meters	11,338	3,631	6,629	1,078	10,867
Hydrants	697	209	441	47	668
Mains (Feet)	766,958	188,695	476,025	102,238	742,300
4" Mains	218,995	77,040	119,140	27,216	213,754
Percent	28.50%	40.84%	25.03%	26.62%	28.80%
Storage (MGD)	17.0	14.5	2.5	0.0	17.0

are then used to construct a new budget to provide the required services of the Rockwood Water Peoples Utility District.

As shown in Table II, Operation and maintenance expenses for the Rockwood Water Peoples Utility District are

Table II - Estimated Annual Cost of People Utility District

expected to be just over \$2 million. Operation and maintenance includes all District costs for administration, reading meters, billing, customer service, maintenance and repair of facilities.

Cost Category	Rockwood	Gresham	Remaining Rockwood
O & M	\$2,062,206	\$2,125,986	\$736,078
Depreciation	\$308,026	\$324,485	\$184,816
Debt Interest	\$34,660	\$357,327	\$10,398
Total Costs	\$2,404,892	\$2,807,798	\$931,292
Water Sold (ccf)	2,300,000	2,039,490	460,000
Cost/cf	\$1.05	\$1.38	\$2.02

The only expenses not included are those associated with capital improvements.

In addition to operation expenses, Rockwood Water Peoples Utility District customers must pay for use of facilities and servicing the debt incurred to initially build the system. These costs are shown in Table II as Depreciation and Debt Interest. Thus the total costs expected to be incurred by Rockwood Water Peoples Utility District patrons is just over \$2.4 million annually.

The precise rates needed to recover the above identified costs will be determined by the Rockwood Water Peoples Utility District Board through a cost of service analysis. If expenses were all charged on the basis of water used, each 100 cubic feet of water would cost \$1.05.

Within the annual improvement budget of Rockwood Water Peoples Utility District more than \$750,000 have been set aside. Independent engineering evaluation of facilities has shown that very few improvements are needed if the district is kept intact. There are no pipeline deficiencies currently and none are anticipated. The capital issue which needs to be addressed is that the District has a considerable number of 4" steel mains. Some reasonable allowance should be made to replace these lines when needed.

If the Rockwood Water Peoples Utility District is not formed, Gresham will assume water service responsibility for over 6,600 of Rockwood Water District's 11,340 customers. Along with the patrons, Gresham will assume responsibility for 441 hydrants, 476,025 feet of mains and 2.5 million gallons of storage.

To determine the impact on Rockwood Water District customers, the current Gresham financial information was analyzed and compared with existing Rockwood Water District data. The relevant information is shown in Table II. It costs almost thirty one percent more than the Rockwood Water Peoples Utility District.

The differences in rates between the Rockwood Water Peoples Utility District and Gresham will become greater in the future. The reason for this is that, unlike Rockwood Water Peoples Utility District, Gresham is anticipating a need for considerable capital improvements. Over the foreseeable future, the city is planning to spend almost \$10 million to meet its capital needs. This will translate into higher rates for customers transferred to Gresham.

Rockwood Water District patrons most severely impacted if the Rockwood Water Peoples Utility District is not formed will be the area of the current district not absorbed by either Portland or Gresham. As shown in Table II, the total annual costs for the remainder of the Rockwood Water District will be less than \$1 million. Operation and maintenance expenses are expected to be just over \$700,000. These are estimated on the basis of the workload expected from the remaining customers and facilities.

If the Rockwood Water Peoples Utility District is not formed, the costs of water service to the remainder of the Rockwood Water District patrons will rise dramatically. Instead of \$1.05 per 100 cubic feet of water purchased, their costs will almost double to \$2.02.

ROCKWOOD WATER DISTRICT
CAPITAL IMPROVEMENTS ASSESSMENT

OCTOBER 1989

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(Not included in this copy - available at the Rockwood Water District)

ROCKWOOD WATER DISTRICT

CAPITAL IMPROVEMENT ASSESSMENT

1. INTRODUCTION

1.1 STUDY PURPOSE AND SCOPE

The purpose of this study is to assess the existing physical condition of the Rockwood Water District from a technical viewpoint. The District is in the process of reviewing various options of future concern and wishes to have a professional opinion as to the condition of its existing physical assets in order for these facts to be considered in its deliberations.

The scope of this report is limited to availability of existing information. Future studies of a more comprehensive nature are planned by the District. Particularly, a master plan is being prepared for publication in the next few months.

The scope of this report includes an assessment of the following major items.

- *Water production, consumption and loss*
- *Water supply*
- *Distribution, storage and booster pumps*
- *Telemetry and control systems*
- *Transmission distribution system*
- *Capital Improvement Program*
- *Maintenance and operation program*

In order to perform the assessment in the limited time available, the information reviewed was compared to similar information of other districts and cities in the Portland region, east Multnomah County, and other areas throughout Oregon. The information was also compared to professional standards. From these comparisons, an opinion was formulated as to the condition of the Rockwood Water District.

1.2 SUMMARY OF CONCLUSIONS

The Rockwood Water District was formed in 1925 to provide water service to approximately 9.9 square miles of unincorporated area in East Multnomah County. The District boundaries are roughly 141st Avenue on the west, I-84 on the north, 235th Avenue on the east and S.E. Division Street on the south.

Since the early 1980's, the Cities of Portland and Gresham have been aggressively annexing the unincorporated areas between their borders.

Because of these annexation issues and because the District may be left with operating its water system with reduced resources, it is important to know the condition of the existing water system. Therefore, the District Board and staff have retained professional consultants to render opinions about the condition of the District's physical assets.

A study was undertaken to review the assets from information readily available. A summary of the conclusions drawn from that assessment follows:

- ***WATER SUPPLY*** - The water supply includes connections to the City of Portland Bull Run conduits and to wells. The water supply is adequate to meet current and future needs of the District.
- ***WATER LOSS*** - Over the past few years water loss varied from 12% to 17%. This compares with other water districts in the Portland region which have losses from 8% to 25%. Rockwood's water loss rate is within an acceptable range. The loss rate shows a steady decline indicating the aggressive action of the District to upgrade or replace leaking pipelines.
- ***RESERVOIRS*** - The District has entered into an agreement with the Powell Valley Road Water District for additional storage capacity. This added capacity together with the District's existing storage meets or exceeds the standards of the American Water Works Association, Ten State Standards, and OAR, Chapter 333. The physical structures are sound. Storage is adequate and reliable.
- ***TELEMETRY AND CONTROL*** - The District recently purchased new telemetry equipment. However, some additional work needs to be done to make the system totally operable. Before the decision is made to continue with upgrading the telemetry system, the District needs to have a resolution concerning various annexation issues. Annexations significantly affect the level of need for telemetry and supervisory control.
- ***TRANSMISSION AND DISTRIBUTION SYSTEMS*** - The transmission and distribution systems are in good shape. The systems meet or exceed the domestic water delivery standards of the American Water Works Association, Ten State Standards, and OAR, Chapter 333.
- ***CAPITAL IMPROVEMENT PROGRAM*** - The District currently budgets approximately \$650,000 to \$750,000 per year for capital improvements. This rate of investment is higher than other water districts in the area of comparable size.
- ***MAINTENANCE AND OPERATION PROGRAMS*** - The general maintenance and operation programs were reviewed and were found to be adequate when compared to the standards of the industry. Comparison with other districts shows that staff, equipment and facilities are equal to or better than most.
- ***PRESSURES*** - Pressures have been set to acceptable minimum standards of 20 psi (OAR, Chapter 333-61-050)(9N)(E). Maximum pressures are within allowable limits and are controlled by individual pressure regulating valves on individual services.

In summary, the Rockwood Water District's physical assets appear to be in good to excellent condition. No major deficiencies were noted. The minor deficiencies that exist will be corrected as the issues of annexation are resolved.

2. WATER LOSS ANALYSIS

Table 1 provides a nine-year history of Rockwood's water production, sales and losses expressed in million cubic feet per fiscal year. Total production is the sum of purchases of water from Portland and Rockwood's well production. Total sales represent the sum of all individual customer meter readings within the District. Water loss is calculated as total production minus total sales. Beginning in FY 85-86, Rockwood staff estimated unmetered water uses which include water line flushing, main breaks, street sweeping and hydrant testing. By adding the unmetered use to sales and subtracting the sum from total production, the water loss amount represents an estimate of water lost through under-registering water meters and leaks in the transmission and distribution system.

Figure 1 shows that water loss as a percentage of total production has ranged between 12% and 17% between FY 85-86 and FY 88-89. Typically, losses for water utilities west of the Cascades range between 8% and 25%. Therefore, Rockwood's loss rate is within an acceptable range and reflects the generally good condition of its distribution and transmission pipelines and quality of its meter maintenance program.

3. WATER SUPPLY

Rockwood presently obtains all its water from metered connections to Portland's Bull Run conduits as shown in Table 2. The District's 140 gallon per minute (gpm) well at the Cascade Reservoir and the 2,000 gpm well at N.E 185th, north of Sandy Boulevard, are no longer used. Each metered connection, except the ones at S.E. 148th and S.E. 202nd, has a pressure regulating valve set to the pressure listed in the Table. The sum of the meter vault elevation and the pressure downstream of the pressure regulating valve equals the hydraulic grade line (HGL) or the elevation to which water will rise in an open-ended vertical pipe. The S.E. 235th meter with an HGL of 582 feet serves the higher elevation eastern end of the District to approximately 202nd Avenue. The S.E. 148th, 182nd, 192nd and 202nd master meters serve the lower, western half of the District. All five meters are capable of providing 14,700 gpm or 21.18 million gallons per day (mgd). Thus, the supply has adequate capacity because it exceeds the present peak day demand of 14 mgd.

The reliability of Rockwood's supply is excellent because Portland has two sources: the Bull Run gravity surface supply and the Columbia River and Blue Lake wells. The well water can be back fed to Rockwood from Portland's Powell Butte Reservoir through the Bull Run conduits. Of the three Bull Run conduits, Rockwood's meters connect to conduits 2 and 4 as shown in Table 2. Thus, if one conduit is down for repairs, average day demand for the entire District can be met by two meters connected to the conduit in service. Minor adjustment of the meter pressure regulating valves may be necessary to serve the high elevation, east end of the District.

Water quality is considered to be good to excellent. Since Rockwood obtains water from the Bull Run system, the water quality is the same for Rockwood as it is for Gresham and all other users who purchase Bull Run water. The quality of the water exceeds the EPA standards, except for minor periods of turbidity when the clarity of the water does not meet standards. When this occurs, it is the intent of the

City of Portland to switch to its well water supply. The well water also exceeds EPA National Interim Primary Drinking Water Regulations.

Rockwood also possesses two wells which produce water of a quality exceeding EPA standards. Although not currently in use, the wells can be activated to meet emergency needs.

4. STORAGE RESERVOIRS AND BOOSTER PUMPS

A review of water industry standards (such as OAR, Chapter 333, the Ten State Standards and AWWA Standards) indicates that the amount of required storage is not set and that various factors unique to each system should be considered when determining the final storage quantity. Economic considerations often play a major role in the final decision. In all instances, cost of storage must be balanced against cost of supply, increased fire protection, power costs, reliability of supply and power, etc.

Storage requirements are somewhat subjective and are usually calculated according to good engineering practice on the basis of peak day demand plus fire flow. This amount of storage allows a major fire to be fought during the peak summer day demand while the supply system is out of operation. The present peak day demand is estimated at 14 mgd. The peak fire flow is 6,250 gpm for a duration of two hours. This equates to .75 million gallons (mg) of fire storage. Thus, the total storage needed is approximately 15 mg.

Another requirement for storage is the District's contract with Portland. By reference, the Portland Code, Chapter 21.28.060 states that wholesale water purveyors outside the Portland city limits are to provide a minimum of three times their average day consumption. Since Portland has not met this requirement and since most of the wholesale users have not met it, this provision has never been enforced. If this provision is required in the future, and since average consumption is about 5.6 mgd, then 16.8 mg is required under this approach. Whether fire flows and peaking factors need to be added to this amount is subjective. Further analysis may be required to develop a definitive answer.

Table 3 inventories Rockwood's currently operational storage reservoirs. Structurally, the reservoirs are sound and the paint on the steel tanks is well maintained. Note that the overflow elevation of each reservoir is lower than the HGL of the master meter which fills it. Consequently, the reservoirs all fill by gravity but they must be emptied by pumping, except under conditions of local, heavy demand. Thus, each reservoir has a booster pumping system as shown in Table 3. The pumps and piping are in good operating condition.

In terms of capacity, the total currently available storage is 11 mg which is 4 to 6 mg less than is required. Consequently, Rockwood has negotiated with Powell Valley Road Water District to lease 6 mg of its excess storage capacity on Powell Butte. The storage will be connected to Rockwood's system in the vicinity of S.E. 174th and Division.

In terms of delivery capability, the capacity of the booster pumps limits the combined flow rate from all reservoirs to 6,500 gpm or 9.37 mgd. This rate approximates the peak fire flow requirement, but provides nothing extra for the 14 mgd peak day demand. This delivery capability is dependent on uninterrupted commercial power, since there is no auxiliary generation equipment at any of the reservoir sites. However, commercial power outages are most likely to occur during winter ice storms when water demand is lowest. Historically, these outages are of short duration, generally less than one-half hour.

In summary, existing storage facilities have insufficient storage volume and insufficient booster pumping capacity to meet peak day and fire flow demand simultaneously by themselves. However, when they are operated in conjunction with the highly reliable Bull Run supply, the Powell Valley Road Water District reservoir system, and the strong Rockwood transmission and distribution system discussed below, fire flow and peak day demands can be met simultaneously.

5. TELEMETRY AND CONTROL SYSTEMS

The booster pumps at the N.E. 141st and Cleveland Avenue reservoirs are controlled by pressure switches located on the tank inlet lines. They activate the pumps in response to low system pressure. The pump system operates automatically during the high demand summer months to supply needed water during the peak hour daytime period and to refill the tank by gravity during the off-peak night time hours. However, because the system HGL is higher than the Cleveland Avenue tank overflow levels at all times, the Cleveland Avenue booster pump never operates automatically. In order to turn over the reservoir contents, Rockwood staff must isolate the Brentmor subdivision in the northeast corner of the District from the rest of the system and serve it from the two Cleveland Avenue tanks. The Cascade Reservoir booster pumps were originally designed to pump well water from the reservoir into the Rockwood distribution system. Therefore, they are controlled by the reservoir level. Now that the wells are no longer used, control of the booster pumps must be changed to pressure switches which activate the pumps in response to low system demand. Until this is done, the pumps must be operated manually.

In summary, the 141st Avenue booster system operates satisfactorily in the automatic mode, but the other two booster stations do not. Relatively minor control system modifications can correct the problem at the Cascade Reservoir.

The original telemetry system allowed Rockwood personnel at the District office to monitor pressure at the 192nd Avenue master meter, flow at the 148th, 192nd and 235th Avenue master meters, and tank levels at the 141st, Cascade and Cleveland Avenue Reservoirs. This system has fallen into some disrepair to the point where only flow and pressure can be monitored at the 192nd master meter and flow at the 148th master meter. Ideally, to control system operation in order to avoid future City of Portland peaking charges, flow and pressure should be monitored at each master meter, water level in each reservoir should be monitored, and each booster pump facility should be monitored and remotely controlled. The master control panel in the office and signal transmission and receiving equipment has recently been modified and some older equipment has been scrapped. Some additional work needs to be completed to make the system totally functional, but the decision to go ahead with this work has been delayed until many of the annexation issues are resolved. To finish this work at this time may prove to be a waste of money.

6. TRANSMISSION AND DISTRIBUTION SYSTEMS

Rockwood's transmission system consists of 41.8 miles of 10-inch to 24-inch diameter mains installed along arterial streets. Its distribution system consists of 105.3 miles of 2-inch to 8-inch lines installed primarily in residential areas. As shown in Table 4 and Figures 2.1 and 2.2, the transmission mains are primarily 12-inch diameter and the distribution lines are primarily 4-inch, 6-inch, and 8-inch diameter. The 4-inch lines are installed in the older subdivisions prior to 1970. Since that time, Rockwood has required a minimum line size of 6 inches.

Figures 3.1 and 3.2 inventory the transmission and distribution systems by pipeline material. Approximately 37% of all mains are ductile iron (D.I.) installed between 1966 and 1989; 32% are cast iron (C.I.) installed between 1959 and 1986; and 30% are steel (STL) installed between 1959 and 1965. Approximately 23% of the steel lines have been lined with cement during 1971-72 to retard corrosion. Table 4 and Figures 4.1 and 4.2 show that the transmission mains are 67% D.I. and 21% cement lined steel (STLCL) which means that they are in good condition and are no older than 23 years. The distribution lines are roughly 25% D.I., 42% C.I. and 31% steel. Thus, the distribution system is older than the transmission system as evidenced by its greater percentages of cast iron and steel lines. Service lines are approximately 88% copper and 12% galvanized iron. The galvanized lines are 30-40 years old.

Our previous hydraulic analysis work has shown that the transmission system is very adequately sized for peak day demand and fire flow. However, the 4-inch residential grids are not adequate to provide domestic fire flows and certain portions of the 6-inch and 8-inch residential grids cannot furnish the 4,000 - 6,000 gpm fire flows required at neighborhood schools. Because of their limited fire flow capacity and because over 55% are steel, the 4-inch lines should be replaced with 6-inch minimum D.I. lines. Thus, with the exception of the 4-inch lines which make up 27% of the total water lines, the transmission and distribution systems are adequate to serve Rockwood.

A review of other water systems in East Multnomah County indicates similar problems with 4-inch and smaller lines. The standard of the water works profession in the 1950's and 1960's allowed for these smaller pipes. Since the late 1960's, more emphasis has been placed on fire protection which dictates larger pipe sizes in residential areas. Consequently, most cities (including Gresham) and districts are in the process of replacing their smaller mains with larger ones. Since the small pipes were generally constructed of steel which corrodes faster than cast iron or ductile iron, they are being replaced with larger and better pipe when they reach their service life of 30 to 50 years. At this point they begin to leak and need to be replaced in any event. Pressures in the distribution system vary from about 30 pounds per square inch (psi) to 140 psi. This results from the fact that the system is operated as a single pressure system without area-wide pressure regulating valves and that the ground elevation in the Rockwood service area varies from 100 feet mean sea level (msl) to 350 feet msl. Each foot in elevation increases pressure by 0.433 psi under non-flowing conditions in the pipes. These pressure variations of 30 to 140 psi are high, but not unusual. Two other systems in the Portland area, Oregon City and Oak Lodge, operate with similar pressures. Each solves the problem by requiring pressure regulating valves on individual services in areas of high pressure (over 100 psi).

7. CAPITAL IMPROVEMENTS PROGRAM

During the last ten years, Rockwood has installed approximately 150,000 feet of new mains or 19% of its current inventory. Approximately 51% have been replacement transmission projects, 39% has been replacement distribution projects, and 10% have been new distribution systems. The District has developed a 1989-94 Capital Improvements Project which proposes the replacement of another 53,000 feet of primary distribution mains. Thus, mains have been and will continue to be replaced on the order of 11,000 to 13,000 feet per year which represents approximately 1.5% of the total system per year. This rate should be adequate to keep up with the life expectancies of the existing mains and should also provide for some main extension.

It should be noted that during the last ten years, very limited capital expenditures were made and no capital expenditures are planned for telemetry and control systems and booster pumping facilities despite the fact that the deficiencies have been noted in this area. This results from a Board policy

decision that as long as the possibility of annexation of the District exists, capital improvements will focus on water lines.

A review of the District's proposed "Capital Improvements Projects, 1989-94" shows a plan to spend from \$650,000 to \$750,000 per year for water line replacement and main extensions, with most projects being replacement of existing steel lines. A review of Gresham's CIP shows its commitment to be \$248,000 per year for similar projects, even though Gresham has about the same amount of small steel lines (4-inch or less in diameter).

A review of other systems is shown in Table 5. Other cities and districts have committed from \$40,000 to \$300,000 per year for similar projects. Rockwood's proposed commitment seems valid, if not high, in comparison.

There have been some allegations that the weaknesses of the Rockwood system due to system deficiencies approach \$13 million. The source of the allegation cannot be substantiated and is without foundation. It is safe to say that there is no such weakness. It is also true that the total deficiencies can be overcome with good engineering planning at minimal expense. The deficiencies noted in this assessment are normal and exist in most water systems. They result primarily from changes in the standards of the water profession. The District appears to be committed to modifying its system to comply with the new standards. Its proposed capital improvement program reflects that commitment.

8. MAINTENANCE AND OPERATION PROGRAMS

- **BUILDING AND PERSONNEL** - The District has been very active when it comes to its maintenance and operation program. Operation occurs at the office located at 19601 N.E. Halsey Street. This location lends itself to good central coverage. The building was constructed in 1981 with the intent of supporting maintenance equipment and crews. The maintenance crew consists of 12 men trained in various duties. The capital improvement projects completed by the District have been done using in-house crews and contracting major improvements to general contractors. The in-house maintenance projects have been completed by use of two, three-man crews.
- **MAJOR EQUIPMENT** - Major equipment consists of three rubber-tired backhoes with an accompanying 12 cubic yard (c.y.) dump truck. Also, a 6 c.y. dump truck is available for smaller needs. The equipment and vehicles are maintained by the District's full-time mechanic.
- **METER REPAIR PROGRAM** - This program is handled by a full-time employee. The District's trained personnel and full-service shop are capable of performing in-house testing and repairs. Approximately 250 of the 5/8" x 3/4" meters are changed out per year due to wear and damage. Rockwood has a 10-year change out or rebuild program for 1-inch through 2-inch meters. During the last two fiscal years, 150 1-inch meters, 70 1-1/2-inch meters and 70 2-inch meters were repaired or rebuilt. This fiscal year 150 1-inch meters and 45 2-inch meters are scheduled to be rebuilt. Testing of 3-inch and larger meters is done every two years. An average of 24 large meters is done each year. The testing of 8-inch and 10-inch meters is contracted out.
- **BACKFLOW PREVENTION PROGRAM** - The District's backflow prevention program, as required by the Oregon Revised Statutes, Chapter 333, has been active for 10 years. The District also has six in-house certified testers of backflow devices and one certified inspector.

- ***FIRE HYDRANTS*** - Rockwood's inventory of 651 fire hydrants shows 239 two-port hydrants. These two-port hydrants are located mainly in residential areas. Overall, the District's hydrants are in good condition. On an average, only one hydrant a year has to be replaced because of a major failure or damage. This minimal changeover is largely due to the District's on-going hydrant maintenance program, which has been active since 1968. Last year, with a maintenance budget of \$2,000, the District repaired or rebuilt 156 fire hydrants. Upgrading of hydrants to the recommended 3-port type is done on all 6-inch and larger water main capital improvement projects. Upgrading is also done in areas which require additional fire projection, such as commercial and industrial areas.
- ***WATER VALVE PROGRAM*** - The District's water valve program consists of operating all main line valves at least once a year. Valves in subdivisions are operated once every four years. One valve a year is usually found to be defective and is, therefore, replaced.
- ***EQUIPMENT AND HARDWARE INVENTORY*** - The equipment and hardware inventory is maintained on computer. This system is updated regularly by the District's superintendent. Up-to-date information on quantities and associated costs are available to keep budgeted supplies stocked. Inventory is stored at the District's shop.
- ***RESIDENTIAL SERVICES*** - Existing residential services are replaced or repaired as needed. As noted, 88% of the service lines are copper. As the galvanized lines begin to leak, they are upgraded to the newer copper material.

12-Oct-89

TABLE 1
ROCKWOOD WATER DISTRICT
CAPITAL IMPROVEMENTS ASSESSMENT

PRODUCTION, CONSUMPTION, & LOSS ANALYSIS

FISCAL YEAR	PORTLAND WATER	WELL	TOTAL PRODUCTION	SALES	UNMETERED USES	LOSS	% LOSS
80-81	240.2	11.2	251.4	187.5		63.9	25.42%
81-82	275.8		275.8	203.5		72.3	26.21%
82-83	237.5	11.4	248.9	200.0		48.9	19.65%
83-84	229.2	12.0	241.2	197.6		43.6	18.08%
84-85	203.2	27.2	230.4	197.5		32.9	14.28%
85-86	254.7	12.6	267.3	201.6	32.4	33.3	12.46%
86-87	252.0	12.5	264.5	218.7	2.0	43.8	16.56%
87-88	258.7	13.5	272.2	222.7	3.1	46.4	17.05%
88-89	273.6	0.0	273.6	236.3	2.0	35.3	12.91%

TABLE 2

ROCKWOOD WATER DISTRICT

WATER SOURCES

<u>Master Meter Location</u>	<u>Conduit Connection</u>	<u>Meter Size</u>	<u>Capacity (GPM)</u>	<u>Elevation (Feet)</u>	<u>Pressure (PSI)</u>	<u>Hydraulic Grade Line</u>
1. S.E. 235th & Division	4	10"	5,500	328.0	110	582.0'
2. S.E. 202nd & Division	2	4"	500	335.0	80	520.0'
3. S.E. 192nd & Division	2 & 4	10"	5,500	275.4	80	460.2'
4. S.E. 182nd & Division	4	8"	1,600	262.4	77	440.6'
5. S.E. 148th & Division	2	8"	<u>1,600</u>	230.0	98	456.0'
Total Capacity			14,700			

TABLE 3
ROCKWOOD WATER DISTRICT

STORAGE RESERVOIRS AND BOOSTER PUMPS

Location	Reservoir Capacity (MG)	Overflow Elevation (Feet)	Year Built - Mat'l	Booster Pump Capacity (GPM)	TDH (Feet)	Resulting Hydraulic Grade Line (Feet)
1. S.E. 141st Reservoir (N.E. 141st & Glisan)	2.5	364.5	1962 - Concrete	1200	100	464.5
2. Cascade Reservoir (N.E. 196th & Halsey)	5.0	261.0	1976 - Steel	800	250	511
				3500	250	511
3. Cleveland Avenue (S.E. 235th & Stark)	3.0	401	1965 - Steel	1000	115	516
	0.5	450	1968 - Steel			
Total	11.0			6500		

15-Oct-89

TABLE 4
ROCKWOOD WATER DISTRICT
CAPITAL IMPROVEMENTS ASSESSMENT

WATERLINE INVENTORY

SIZE	DI	CI	STLCL	STL	PVC	GALV	TOTAL (feet)	% of TOTAL
24"	8,250						8,250	1.06%
20"	13,650						13,650	1.76%
18"	10,350						10,350	1.33%
16"	12,800		12,600				25,400	3.27%
14"			7,750				7,750	1.00%
12"	96,300	6,470	22,200	11,150			136,120	17.53%
10"	7,000	7,250	4,750				19,000	2.45%
8"	67,278	43,075	8,200	26,500			145,053	18.68%
6"	71,706	94,875		28,625	1,400		196,606	25.32%
4"	250	95,680		115,875			211,805	27.28%
3"				1,750			1,750	0.23%
2"					250	400	650	0.08%
TOTAL	287,584	247,350	55,500	183,900	1,650	400	776,384	100.00%
% of TOTAL	37.04%	31.86%	7.15%	23.69%	0.21%	0.05%	100.00%	
(10"- 24")	148,350	13,720	47,300	11,150	0	0	220,520	
	67.27%	6.22%	21.45%	5.06%	0.00%	0.00%	100.00%	
DISTRIBUTION	139,234	233,630	8,200	172,750	1,650	400	555,864	
(2"- 8")	25.05%	42.03%	1.48%	31.08%	0.30%	0.07%	100.00%	

TABLE 5
ROCKWOOD WATER DISTRICT
SUMMARY OF REPLACEMENT BUDGETS FOR WATER SYSTEMS IN
OREGON

<u>CITY/DISTRICT</u>	<u>ANNUAL REPLACEMENT BUDGET</u>
1. Tillamook	\$50,000
2. Powell Valley Road Water District	Varies - \$267,000 estimated average (\$692,000 + \$1,018,200 + \$426,000 in 8 years) = \$267,000/yr.
3. Gresham	\$248,000
4. Clackamas Water District	Varies - \$40,000 to \$300,000, based on priorities
5. Hazelwood Water District	Varies - \$100,000 to \$300,000, based on priorities and resources.

FIGURE 1

ROCKWOOD WATER DISTRICT

WATER LOSS TRENDS

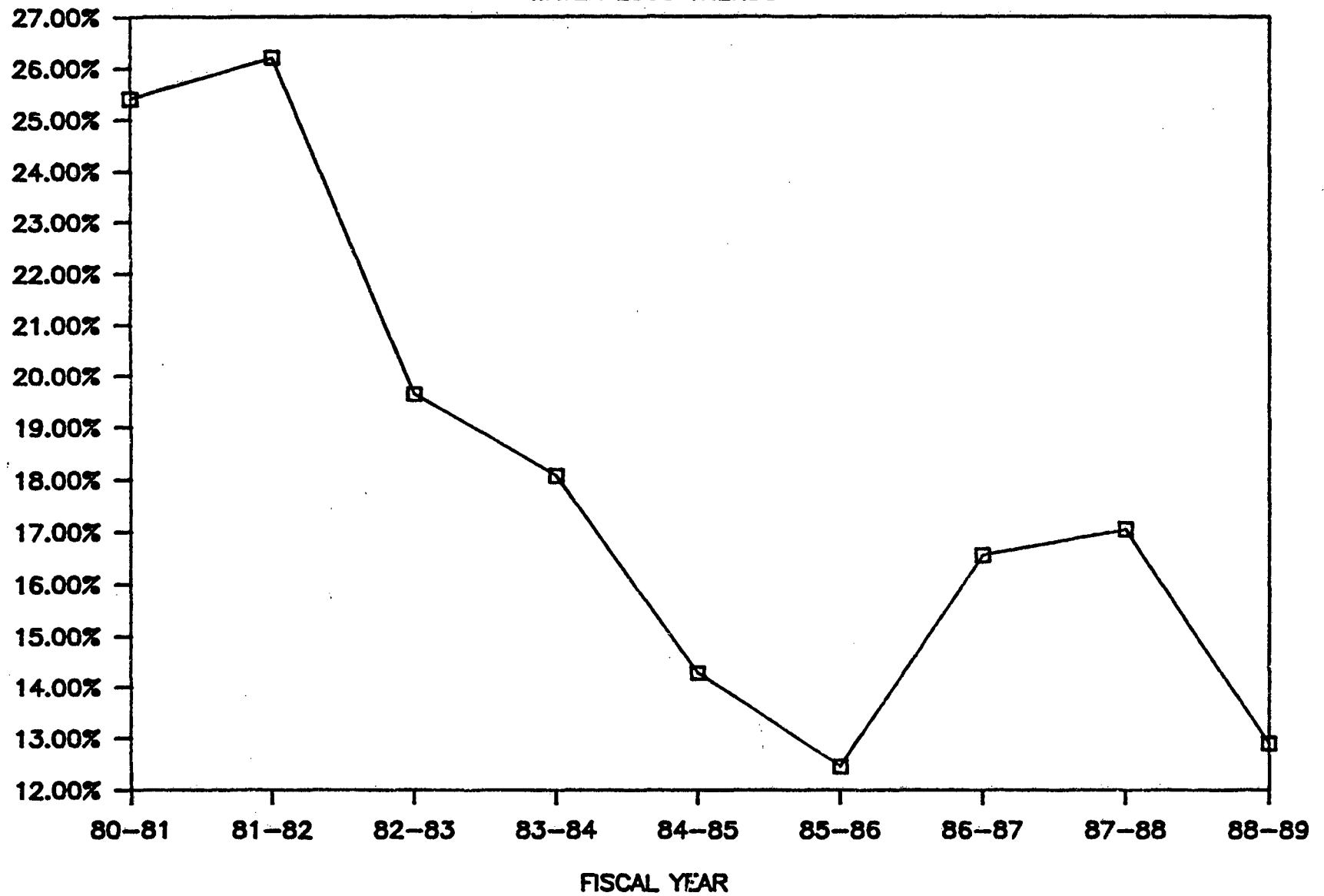


FIGURE 2.1

ROCKWOOD WATER DISTRICT

WATERLINE SIZE INVENTORY

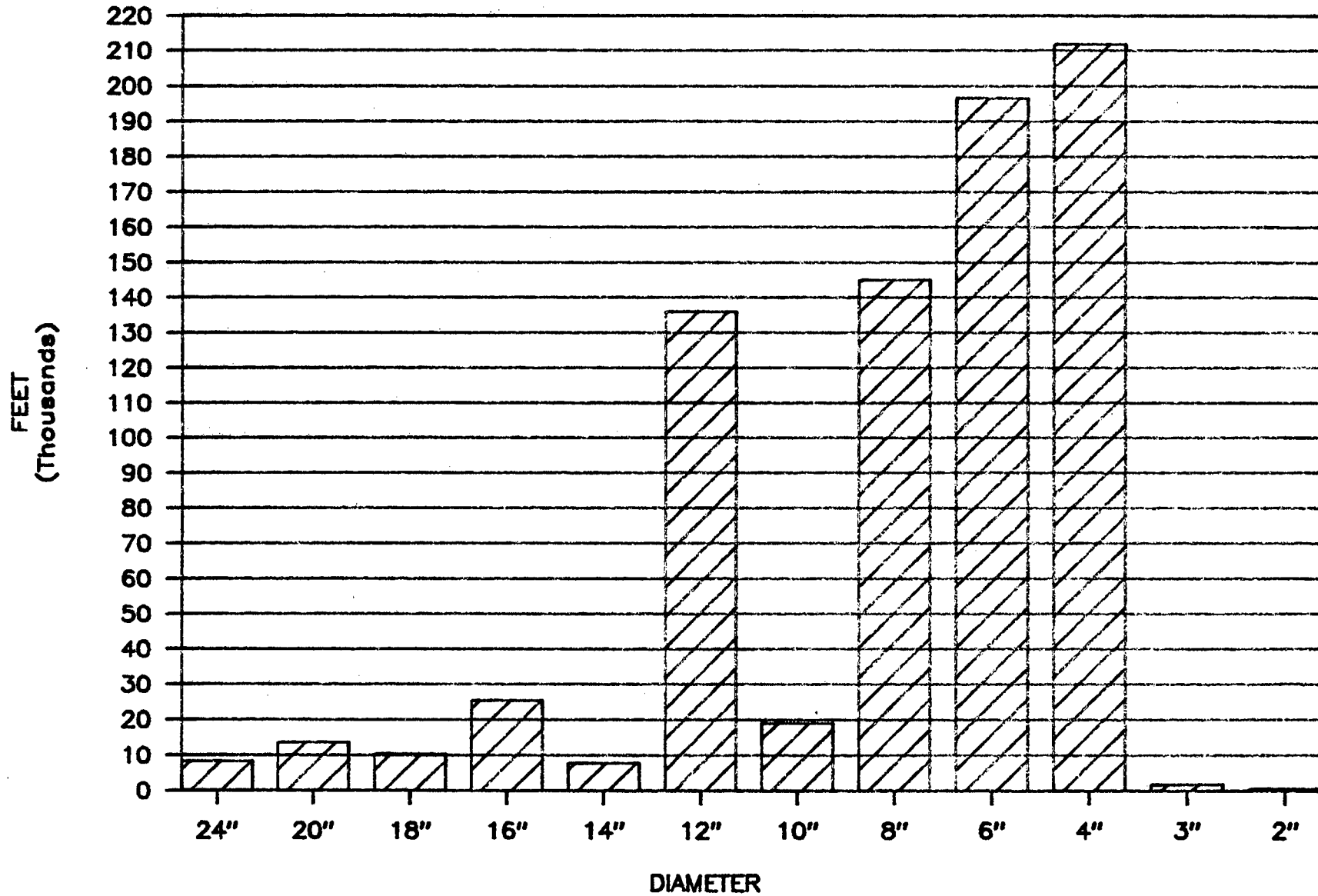


FIGURE 2.2

ROCKWOOD WATER DISTRICT

WATERLINE SIZE INVENTORY

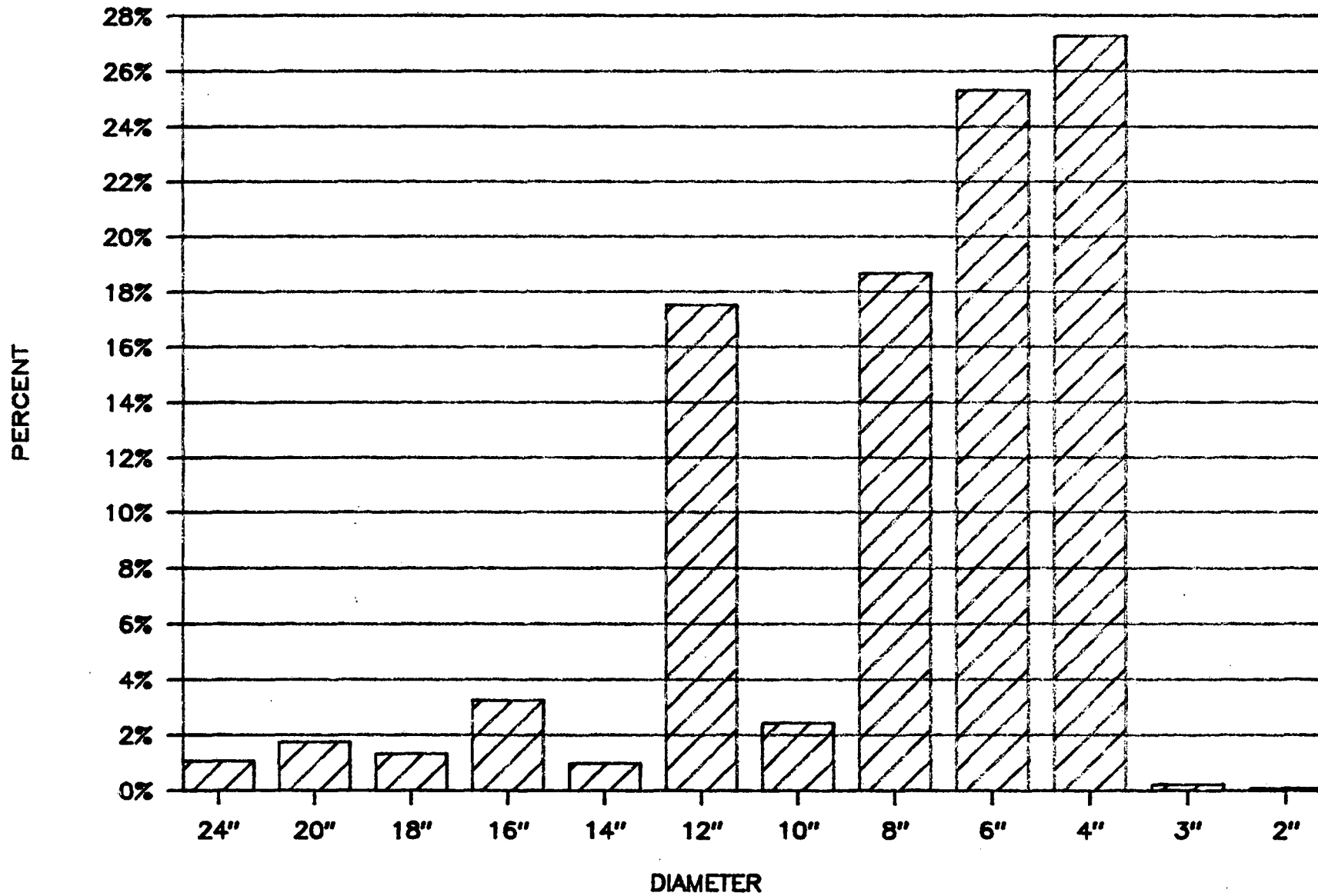


FIGURE 3.1

ROCKWOOD WATER DISTRICT

WATERLINE TYPE INVENTORY

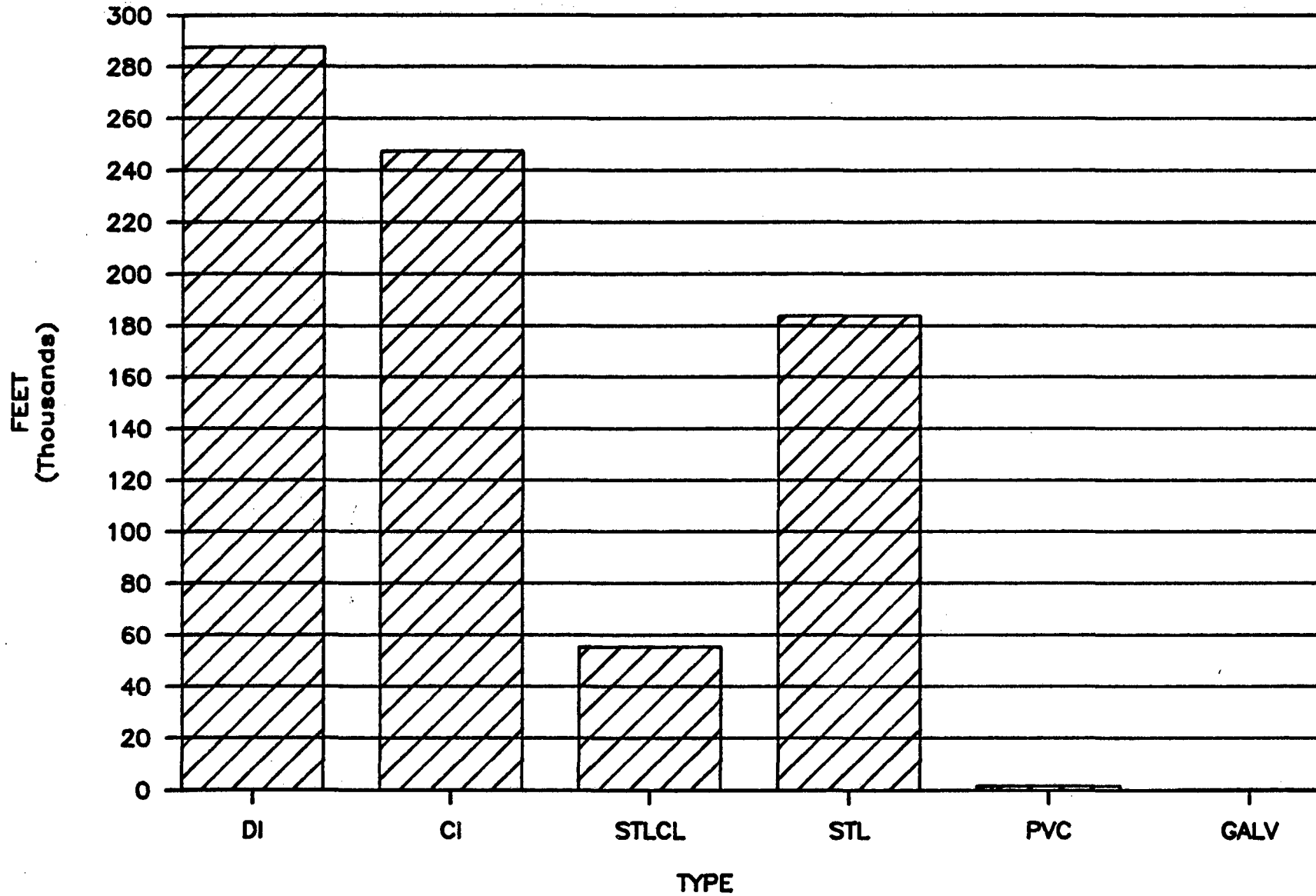


FIGURE 3.2

ROCKWOOD WATER DISTRICT

WATERLINE TYPE INVENTORY

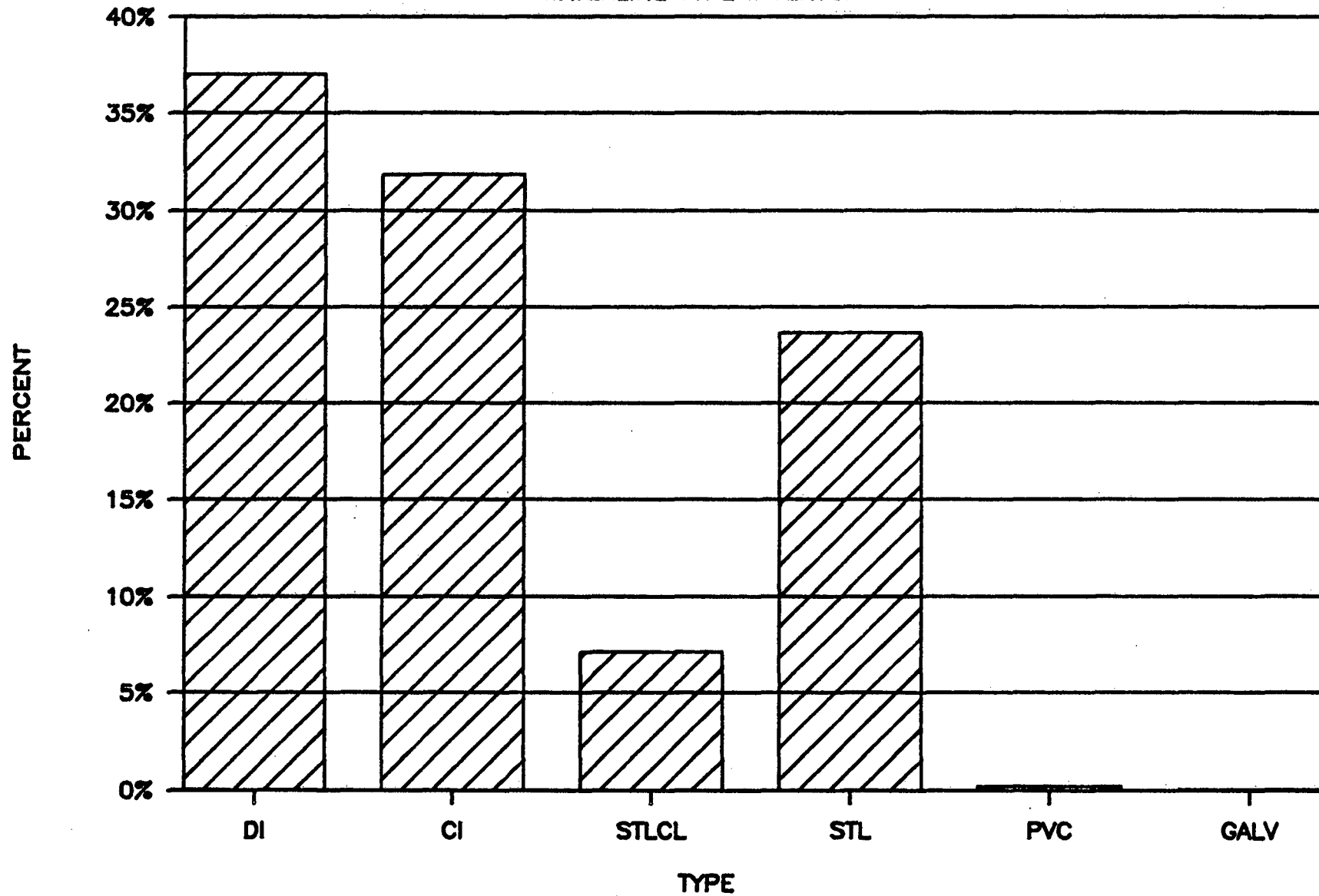


FIGURE 4.1

ROCKWOOD WATER DISTRICT

WATERLINE SIZE & TYPE INVENTORY

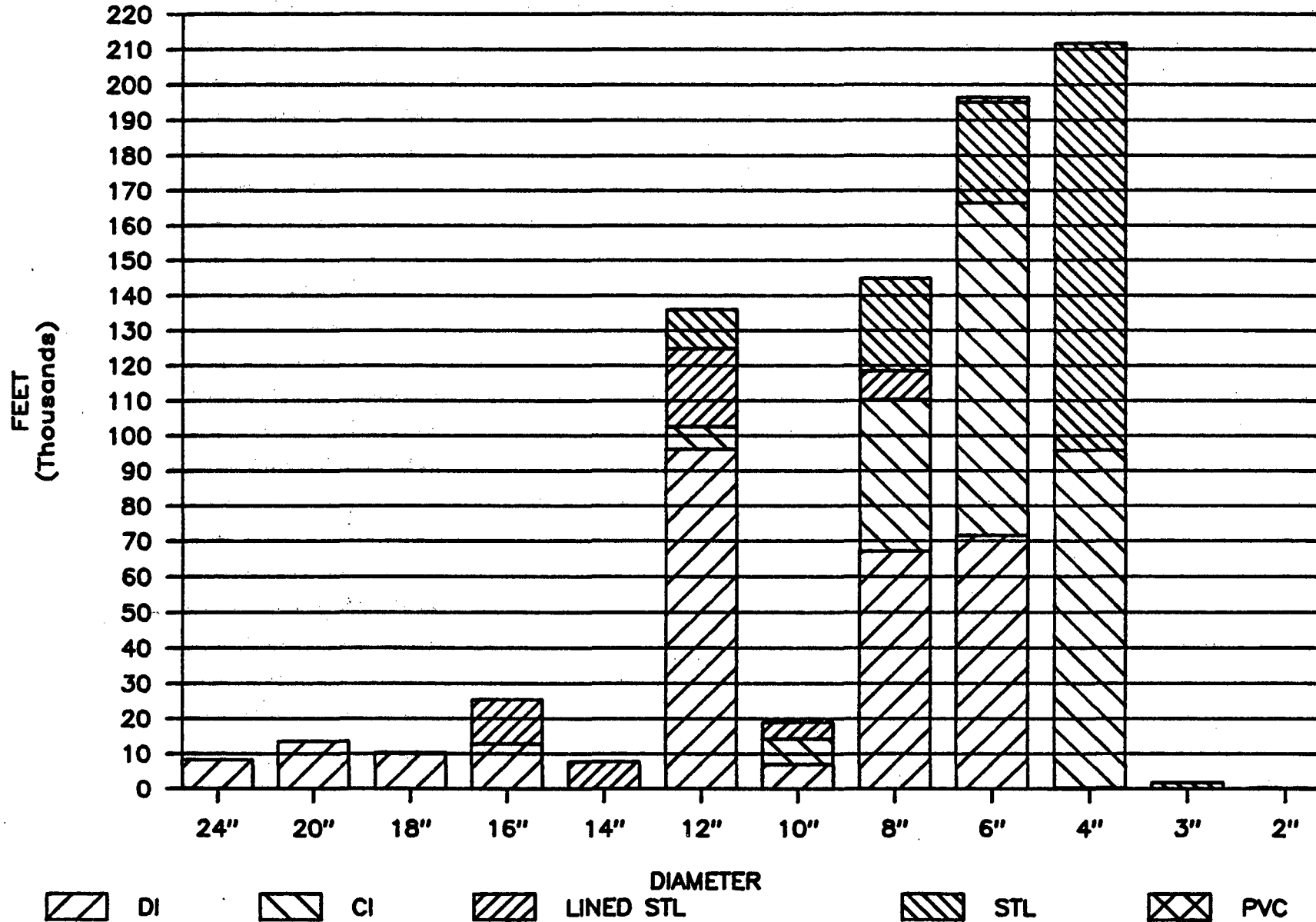
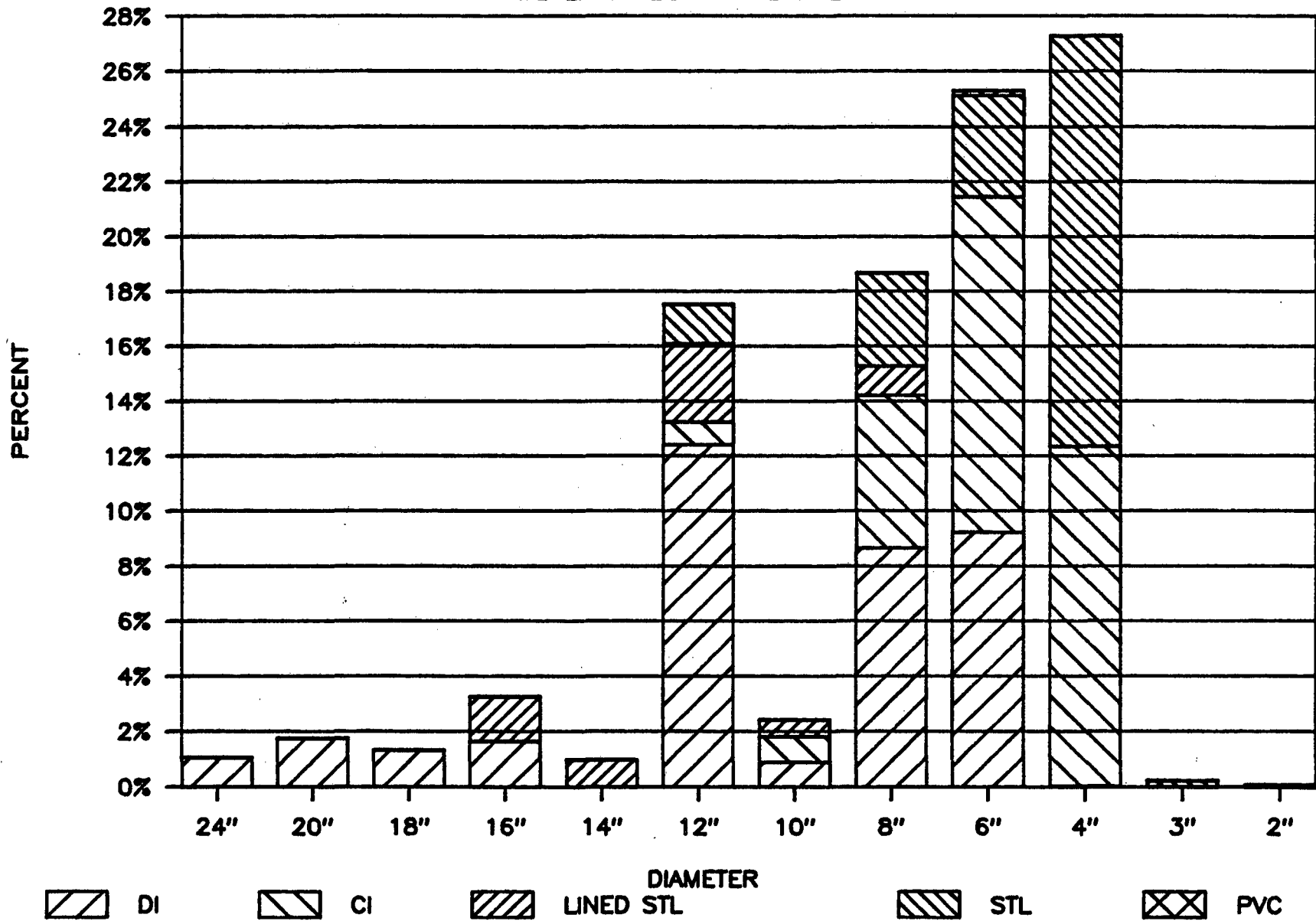


FIGURE 4.2

ROCKWOOD WATER DISTRICT

WATERLINE SIZE & TYPE INVENTORY



BIBLIOGRAPHY

METROEAST

SCHOOLS

Gresham High School students present 'Flowers for Algernon'

GRESHAM — Gresham Union High School presents "Flowers for Algernon" Thursday through Saturday in the high school auditorium.

Twenty-seven student actors, including three special education students, will perform in the classic play about a mentally handicapped man who is transformed into a genius by science.

Performances are scheduled at 7:30 each evening. Tickets are \$3 for students and senior citizens, and \$3.50 for adults. Group discounts for parties of 10 or more are available.

Mt. Hood Community College auction set

GRESHAM — "A Night of Promises," the Mt. Hood Community College District Foundation's 1990 Auction, will get its official kickoff from 5:15 to 8:30 p.m. Tuesday in the Town and Gown Room on the Mt. Hood campus, 26000 S.E. Stark St. The event is a gathering of the 12 teams and auction leaders who will begin soliciting \$150,000 in retail items for the auction.

Distribution of campaign packets, tips on effective sales pitches and prizes for teams with 100 percent participation will highlight the evening. In addition, special door prizes, including Seattle Seahawks tickets and a 20-pound turkey, will be given away.

Bazaar set Saturday at Firwood School

SANDY — The Firwood School will sponsor a "Mountain Craft Bazaar" from 9 a.m. to 5 p.m. Saturday. The event, featuring hand-crafted items, will be held at 42900 S.E. Firwood School Road in Sandy.

Reynolds program offers open house

TROUTDALE — The public is invited to participate in the Open House of the Reynolds Alternative Program from 3:30 to 6 p.m. Thursday in the basement of the Wynne Watts building, located at 930 N.E. 162nd Ave.

Bloodmobile due Tuesday at Reynolds

TROUTDALE — The American Red Cross Bloodmobile will be at Reynolds High School, 1698 S.W. Cherry Park Road, from 9 a.m. to 2 p.m. Tuesday.

Gresham woman wins national honor for work reviewing foster-care cases

By SUZANNE RICHARDS
of The Oregonian staff

The room is small, almost cramped. The four people behind the table listen intently to the social worker describing the progress of a child in treatment. The mother sits quietly nearby.

This is one of 15 cases the citizen review board — three women and one man of varying ages and races — will hear today. Ruth Davidson, board chairwoman, will guide the questioning with a mixture of compassion and efficiency.

A knowledgeable leader, she keeps one thought uppermost in her mind as she shuffles papers, jots notes and nudges the discussion along — there is a real child out there



DAVIDSON

somewhere whose future will be affected by what is decided in that room in the next few minutes.

Members of citizen review boards, all volunteers, monitor the cases of children who are in state custody, children in foster care or care other than their own homes. The goal of the review boards is to see that children do not languish in the juvenile court system, that all parties work toward finding a permanent solution for a child from a troubled situation.

That solution can mean going home to parents, or it can mean the termination of parental rights, thereby allowing the child to be adopted. In any case, juvenile court judges make the final decision, but review boards make recommendations.

"I go home drained, and sometimes upset, because I haven't been able to do everything I would like to do," Davidson admits, her clear blue eyes intense and direct.

But what she has done has been noteworthy, even capturing national attention recently when she was named Volun-

teer Reviewer of the Year by the National Association of Foster Care Reviewers.

Davidson was the first person to be selected for the honor from a field of candidates nominated from throughout the country.

In announcing her selection, one of the judges said, "We chose Ruth because both her length of service and commitment to citizen foster care review exemplify the best efforts of reviewers nationwide."

Congratulations for the Gresham resident flowed in from Gov. Neil Goldschmidt, Chief Justice Edwin J. Peterson of the Oregon Supreme Court and Multnomah Circuit Judge Stephen B. Herrell, all of whom are aware of Davidson's work.

Those continuing efforts have helped to establish the citizen review board as it is today.

Children have always been an important force in Davidson's life. As a student at Marylhurst College, she chose to major in education and for several years taught elementary school in Eastern Oregon before her marriage to Bob Davidson.

As the Davidson family, which eventually included six daughters, traveled all over the world wherever her husband's Air Force assignments took them, Ruth Davidson's volunteer activities always seemed to be directed toward children. Often she worked in orphanages, sometimes just rocking or playing with the children.

"Wherever you are in the world," she said, "the children are the ones who really matter. They are our next leaders."

So it was not surprising that when the family returned to Oregon in 1975 it was a concern for the growing numbers of abused and neglected children that drew her to the Court Monitoring Program in Multnomah County sponsored by the National Council of Jewish Women.

"I wanted to know what the juvenile court was all about," she explained.

But sitting in court listening to the cases, Davidson didn't especially like what she saw. She became increasingly aware of the need for an external review of case plans of children in foster care.

"When families and the Children's Service Division would come into court, they came as adversaries and the court would listen to CSD and not listen to the parents," she said.

Determined to seek better solutions, she became one of the first citizen reviewers to join administrative review teams in the state. But, she found that even more disturbing.

"They were going through as many as 15 cases in an hour and a half. Paper work on the cases was put before us at 8 a.m. and the review began at 8:15. There was no family involvement in the reviews. The kids were in care forever. We wanted to get the children back with their families. It just seemed like foster care was a permanent state," said Davidson.

About the same time pressure was coming from other directions. In 1984 and 1985 Davidson advocated extensively for the passage of legislation to establish external citizen review boards in Oregon. She became a key player in their development.

OUR NEW CLINIC OFFERS ALTERNATIVES TO LIFE.

Patients at the new Legacy Immediate Care Clinic have less time to read the magazines typically found in a waiting room.

Since you don't have to wait for an appointment, you can drop by the clinic any day of the week from 8 a.m. to 9 p.m. And while you might not see the doctor instantly, we will make it hard to read your favorite magazine from cover to cover.

By combining the respected medical teams of ReadyCare and Good Samaritan Immediate Care, we've made it possible to speed your visit along, even when we're busy. And because we're located in the Mount Hood Medical Center Plaza at Burnside and Powell, finding us doesn't take much time either.

So if it isn't a life-threatening emergency, but you need to see a doctor with a minimum of waiting, come to Legacy Immediate Care Clinic. Unless, of course, you want to catch up on your reading.

Legacy Immediate Care Clinic
At Burnside & Powell in Gresham • 666-5050



The Oregonian/ROGER JENSEN

Romantic intrigue occupies the cast of "The Importance of Being Earnest," to be presented by the Reynolds High School drama department at Mt. Hood Community College. Holding leads are (from left) Jennifer Brooks, Tim Eblen, Katie Lenig, Jonathan Molitor and Melissa Wetherell.

drama," Zimmer said. "It's very exciting."

The one drawback drama students face is a lack of facilities. Although the drama classroom was enlarged, Reynolds High does not have a stage. The cast went to Mt. Hood's Studio Theater for final rehearsals.

"We're really lucky to have such nice people at Mt. Hood," Zimmer said. "We're trying to do the best we can on a limited budget, and they've been real helpful in loaning props."

Zimmer's Christmas wish list includes a theater of his own.

Construction of a theater at Reynolds High is part of the second phase of building plans, but the second phase hasn't reached the architectural planning stage yet, he said.

In the meantime, dramas will continue to unfold.

"It's a challenge," Zimmer said. "We're patient. We'll do our best during the transition."

The Oregonian

NEWS & FEATURES
FROM EAST MULTNOMAH
COUNTY AND NORTH
CLACKAMAS COUNTY

THURSDAY,
NOVEMBER 16, 1989



Trio saves boy: Training thwarts 'sudden death'

A David Douglas High School student owes his life to the efforts of Jan Sanderson (left), Jim Kitchen and Michele Drigen, doctors say.

All three were nearby when the 15-year-old student, Donald Gibson, collapsed while he was walking across the school campus. Gibson has a rare heart imperfection and suffered what his doctors called "sudden death syndrome." Story on Page 3



Alan Wendler: Races for second championship cup

Alan R. Wendler of Damascus has won the International Conference Sports Car Club racing championship for the second consecutive year.

Wendler, 43, of 12329 S.E. 222nd Ave., won the D Production championship by driving his Datsun 240Z to place in a series of races this season sponsored by the conference, which covers Oregon, Washington and British Columbia. The season ended Oct. 1.

The consulting engineer said his back-to-back annual wins were "very special" because he had been away from automobile racing since 1981. In that year he won the conference championship in another category with a GT-2 Corvette. Wendler had won D Production conference championships the three previous years, 1978, 1979 and 1980, by driving Datsun 240Zs.

Wendler praised his team for the victory. It included his wife, Karol, Ed and Vicki Morgan, and Bill and Debbie Griffin. Wendler's car was sponsored by Larry Miller, whom Wendler has trained as a driver and who will be out racing against Wendler next year.

ETCETERA

East Portland was a separate town from pioneer days until June 1, 1891, when an election resulted in the consolidation of Portland, East Portland and Albina. The consolidation became effective July 5, 1891.

James B. Stephens was the founder of East Portland. For \$200 he bought property previously owned by a French-Canadian named Forier. Stephens laid out a town in 1850-51 and filed an East Portland plat in 1885. An East Portland Post Office was established May 15, 1886. It closed March 4, 1892.

Source: Oregon Geographical Names.

METROEAST

Neighbors

INSIDE:

- KATHLEEN GLANVILLE, 2
- EVENTS, 5
- BUSINESS, 6
- RELIGION, 7



The Oregonian/ROGER JENSEN

Activists who are campaigning to form a Rockwood People's Utility District include, front row from left, Bob McNeill, Jean Hood, Laura Baker, Bill Stallings and Herb Brown; middle row from left, Frances Reinhoel, Louis Reinhoel, Tom

Dennehy, Jeanne Orcutt, Bob Orcutt, Frances Hyson and Frank Josselson; and back row from left, Leslie Roberts, Pat Brown, John Vogl, Bob Luce, Mel Edwards and Loyd Arnold

Rockwood PUD vote near

□ Annexation and anti-city sentiment are at the heart of the issue for residents who want to form a utility district to take over control of water service

By BARBARA PESCHIERA
Correspondent, The Oregonian

The campaign to form a Rockwood Water People's Utility District has as much to do with the residents' resentment toward city government as it does with providing water service, those on both sides of the controversy say.

"Annexation — that's a dirty word with all of us," said Bob McNeill, one of about 100 people who have worked to form what would be the state's only public utility district formed to provide water service. "We've had enough."

The proposed PUD would take over operation of the existing Rockwood Water District, established in 1928 to serve much of the unincorporated area between Gresham and Portland.

Laura Baker, an 85-year-old Rockwood customer who walked more than four miles with a cane to collect 93 signatures supporting a PUD ballot measure, said she took on the project for one reason.

"I wanted to keep the water in Rockwood Water District. I don't want Gresham to have it," Baker said.

Gresham Mayor Gussie McRobert said she knows that emotions are running high in Rockwood area, and she does not plan to oppose the PUD formation effort.

"I don't intend to do anything about it," she said. "It's a waste of time. It's an autonomy issue."

The Rockwood PUD proposal was born out of anger and frustration that has been fermenting since 1983 when many of

the same activists tried without success to form a new city to avoid being annexed to either Portland or Gresham.

McRobert said much of the hostility against Gresham stems from the city's opposition six years ago to the formation of the proposed city, which would have been called Columbia Ridge.

Gresham officials testified against the proposed city at hearings of the Portland Metropolitan Area Local Government Boundary Commission. McRobert said that was a mistake.

"We've been hearing about it ever since," McRobert said.

The Multnomah County Board of Commissioners is expected to set the final boundaries of the proposed district at a special 7 p.m. meeting Tuesday at Reynolds Middle School, 1200 N.E. 201st Ave.

Unless there is a last-minute legal challenge that succeeds in delaying the process, voters will get to decide if a PUD should be formed to take over the Rockwood Water District in March or May of next year. The only voters on the plan would be the residents of the proposed district.

And more than anything, the midcounty activists want to vote.

Area residents did not get to vote on the formation of a new city. They did not get to vote about whether they want to be annexed to Portland or Gresham.

Please turn to
ROCKWOOD, Page 4

METROEAST

ISSUE

Rockwood Water District

Established: 1928
Office: 19601 N.E. Halsey St.
General Manager: Duane Robinson
Commissioners: Bill Stallings, chairman; Herb Brown, Jean Hood, Richard Lauderback and John Vogl
Customers: 11,500
Status of customers: 6,500 annexed but not served by Gresham; 3,700 not yet annexed to Portland; 1,000 annexed but not served by Portland; 500 annexed and served by Portland
Goal: To preserve the district by forming a People's Utility District
Residential rates: 87 cents per 100 cubic feet, compared with \$1.02 in Gresham and 72 cents in Portland

Debate resumes over control of Gresham roads

□ A recent recommendation by a Multnomah County consultant that jurisdiction be divided paves the way for a renewed debate

By MAYA BLACKMUN
of The Oregonian staff

All roads may not lead to Gresham, but city officials feel that at least they should have control of the streets within the city limits.

Multnomah County owns more than half of the roads in the city, and the two sides are in a tug-of-war for control.

The issue is being debated once again after a Multnomah County consultant recently recommended that Gresham, Troutdale, Fairview and Wood Village get all the neighborhood streets but the county keep the main roads.

"As each week passes, there's a new development. 'I believe that cities — not this county, not the transportation department of Multnomah County — should have governance,'" said Sharron Kelley, Multnomah County commissioner. "When I say that I mean control of all the streets in their boundaries."

Kelley said one solution may be for Gresham to get control of the streets, but to leave main roads under jurisdiction of the county, which would maintain them. Gresham could decide the land-use policies, capital improvement projects, street standards and scheduling

and the county would do the work.

That way elected officials would settle the basic policy issues, and a consortium of engineers could deal with the technical issues, she said.

Gresham officials have said, however, that they want complete ownership of the roads, and they add that the county consultant's recent proposal is not acceptable.

"We don't think this will solve any of the problems we have talked about for three years," said Greg DiLoreto, Gresham city engineer.

But officials from the county and smaller cities in the area have countered that if Gresham withdraws from the county road system and gets control of the roads, the system would be disrupted and that would be unfair to the other cities.

"It could cut down on the county's ability to service the three smaller cities and the rest of the county," said Troutdale Mayor Sam Cox.

Gresham officials said the issue dates back to 1983, when Multnomah County adopted Resolution A and reduced its urban services. The county then reached an agreement with Portland for the city to gain roads and the corresponding Oregon gasoline tax funds.

Questions arose about the remaining jurisdictions. As a result, county officials proposed that Gresham, Troutdale, Fairview and Wood Village form a consortium to provide services.

But the idea didn't fly. Instead, the three smaller cities signed a contract with the county to maintain roads within their limits and Gresham continued to push for a transfer of the roads.

In 1988, Portland and the county updated their agree-

ment and the county said it would take another look at Gresham's proposal.

Sumner Sharpe of Cogan Sharpe Cogan Planning and Management Services in Portland was hired by the county in May. Sharpe said his plan would give the cities greater control but would prevent the network from being fragmented.

Sharpe recommends a subregional network in which Gresham would take over 53.4 miles of neighborhood streets. The main arterials, such as Stark, Glisan and Division streets, and Burnside and Hogan roads would remain under county control.

Larry Nicholas, county engineer and director of transportation, said Resolution A never was intended to include transportation. He added that a transfer of roads was a policy issue to be decided by elected officials.

If Gresham withdrew, it would have a great impact on the county's road department, Nicholas said.

"We would not have sufficient resources nor the need for this organization in its present form," Nicholas said.

Gresham has argued that county control has caused scheduling problems, but Nicholas said that the county has had its share of the same problems because of Gresham.

"That's a sword that cuts both ways," he said.

Nicholas added that he feels a responsibility to provide the best transportation system countywide, not just for one city.

And Multnomah County Commissioner Gretchen

Please turn to
ROADS, Page 2

All I want for Christmas is . . . a break from the TV hucksters

I was reading the Sunday paper and drinking coffee when the Christmas season started at my house. It came from under the table, where my 2-year-old daughter was perusing the discarded advertising inserts.

"Look Mommy, this is what I want for Christmas!"

(This is a rough translation of what she really said, which was in the broken English spoken by people just learning the language.)

My husband and I exchanged shocked looks. Christmas! It's not even Thanksgiving yet, the Halloween candy is hardly gone and our hissing innocent is already crouched over a Toys R Us advertisement, pointing with a chubby index finger to a complicated space-age weapons system.

Actually, the only clear words she spoke were "Toys R Us," and it's not because she can read. She watches television and recognized the trademark from the commercials. We weren't startled by what she said.

After all, my son's first words were: "Each sold separately."

It's the timing that dismayed us. People have already started to complain about how commercial Christmas is and how it seems to start earlier each year. The truth is, however, that the few ornaments hung in the stores before Thanksgiving are nothing to the onslaught going on Saturday mornings in your television room.

Unless you have small children, you have no idea how commercial Christmas can be, because small children are the only humans who watch cartoons on Saturday morning.

Every Saturday morning downstairs in the playroom, television is teaching your children the lessons of crazed consumerism while you are upstairs blissfully sleeping in.

We have been advised by friends who do not have children not to let our watch television. They have the moral high ground



here and I concede their advice is sound. I don't know any parent, however, who follows it.

Can you really expect your child to be a nobler, purer human being than you were as a child? I remember getting up on Saturday mornings to watch the test pattern for a couple of hours before cartoons started. Today's children, of course, don't even know what a test pattern is, because television never goes off the air.

The sales pitch also seems much more strident today. And Christmas pitches on television seem to start right after school begins.

Consumer groups lobbying for more controls on children's television say the cartoons are little more than full-length feature commercials since each cuddly creature or killer robot is for sale.

Sometimes I get up early enough to watch television with my children, but not often because my frail nervous system can't take that kind of abuse.

What grates the most are commercials for junk food, which are so surreal they are almost painful to watch. Advertising agencies must think children's senses are dulled because their commercials have a frantic quality that has to be seen to be fully appreciated.

The commercials for toys and games seem pale in comparison, but they are nonetheless much more interesting than the cartoons. Commercials aimed at children remind me of the patent medicine advertisements that once claimed to cure everything from baldness to cancer. The claims far outstrip the product.

My 7-year-old son has been skeptical of commercials ever since last year when he dialed a special number advertised for Santa Claus and got yet another sales pitch.

That All-American cynicism about commercials is an attitude my husband and I want to foster in our children.

After being awakened to the threat to the vulnerable mind of our 2-year-old, my husband and I decided to act.

We recorded some of our children's favorite cartoons and taught our daughter how to fast-forward through the commercials.

I crept downstairs last weekend, only to hear my 2-year-old mimic her father in perfect tones: "Death to purveyors of trash. Die, huckster, die!" as she zapped through the commercials.

I headed back up stairs for some more shut-eye, a smile on my face. I dreamed of what I wanted for Christmas—beautiful clothing, tastefully and quietly advertised only on the pages of a newspaper.

Roads: Public's best interests may decide question, Kafoury says

Continued from Page 1

Kafoury said that the issue of transferring roads to Gresham may rest on larger questions, including how county residents would be best served.

"The question is whether we will

completely relinquish the possibility of a regional transportation system," she said.

Bonnie Hays, chairwoman of the Washington County Board of Commissioners, said that Sharpe's proposal sounds similar to the cooperative agreement used by Washington County and the 12 cities in the area.

Washington County maintains roads of countywide significance, including some arterials. Hays said the system works well because the jurisdictions have agreed on road classifications and standards.

But Gresham City Manager Wally Douthwaite said the city needs to have control of all its infrastructure, including roads, water, sewers and storm drains, in order to be responsive to its citizens and to be successful at long-term planning and economic development.

Kay Foetisch, Gresham citizen involvement coordinator, said that having two jurisdictions in charge of roads in a city makes it confusing for residents.

"People assume that if a road runs in front of their house that it's a city road and in many cases it's not," she said.

"It's just not responsive government and it's one more layer of bureaucracy to the average citizen out there."

Some Gresham City Council members say the issues centers on money and municipal pride.

"If the county really wanted to stay in the business of providing the planning, maintenance and building of roads, I don't think they would have negotiated a deal with Portland," said Gresham Councilwoman Barbara Sullivan-Hoem.

She added that if Gresham withdraws and the county road department truly could not continue, then perhaps Portland is getting too much money at the expense of the smaller cities.

Under the revised county-city agreement, Portland is expected to get about \$26 million and the county \$12.4 million in state and county gasoline taxes during the 1989-1990 fiscal year.

Gresham Councilman Bernie Gusto said that it's time that Gresham be treated as a major player.

"I think 63,000 people make us big enough to deal with," Gusto said. "If Portland can own their roads, we can own ours. Then everybody's happy."

Representatives of the four cities and the county are expected to meet in November and discuss definitions and concepts as a context for inter-governmental agreements. County officials have set spring as a target

date for final signatures. Implementation could start in July.

But Gresham Mayor Gussie McRobert said that she is concerned about the negotiation process itself.

"The basic premise was that the county would not change anything," said McRobert. "They didn't start with a blank page, instead the deal was half-made."

County Chairwoman Gladys McCoy recently turned down McRobert's request for an audit of the roads department, saying that she had confidence in the consultant's conclusions. County Auditor Dan

Parent conferences due at Centennial

Centennial High School Eagle conferences will be held for parents of high school students Tuesday.

Two conference sessions have been planned: One from 3 to 5 p.m. and another from 6 to 8 p.m. The 3-to-5 minute conferences are an opportunity for parents to learn what their children are studying, how they are progressing and find out ways parents can help students at home.

A map will be available showing parents where teachers from each department will be located in the gymnasium. Student report cards also will be available.

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Selection may vary by store. Interim markdowns may have been taken. *Typical price items are everyday value priced.

Gift worth thousands of words

By LARRY BLASKO
The Associated Press

Your preschooler won't be a total yuppy until he has his own word-processing software, but not to worry — Sesame Street First Writer will help.

This \$14.95 program for both IBM and Apple II-series computers was designed by Children's Television Workshop and is produced by Hi Tech Expressions.

The money gets you a very simple word-processing program aimed at 4- to 6-year-olds. Children can copy words from a stock dictionary (parents may edit or add words) or write letters and stories of their own. The screen shows the letters about half an inch high. In caps and lowercase, and the youngster has a choice of four type styles.

When your little one tries to do something she shouldn't, a Sesame Street character will beep at her and shake his head. When she uses cursor keys to create a new page, the screen shows a page turning.

The software's manual gives parents some installation help and a couple of activity ideas. One idea is a couple of keyboard templates to identify the function keys. F1, for example, is identified by pictures of Big Bird, Cookie Monster, Oscar the Grouch and Elmo, characters used to identify the current type style.

The program works with a number of popular printers. It requires 256,000 characters of memory and a color monitor and graphics capability for IBM machines. 128,000 characters for Apple II (e or GS) machines.

It's a nicely turned piece of software at a very reasonable price, and once you get over the hurdle of kids exchanging a crayon and a sheet of paper for \$1,000 worth of hardware and a program, it's probably something to consider.

When preschoolers want a break from writing on the screen, they might want to bring out their Fisher-Price — computer games, not toys.

Aimed at children between the ages of 3 and 8, the games cost \$14.95 each and are the result of a collaboration between Fisher-Price and GameTek. They run on any IBM PC or compatible, Apple or Commodore computer.

"My Grand Piano" will play 30 songs, over and over, until every adult within earshot begs for mercy. It shows notes on the staff and piano keys and allows children to compose their own tunes.

"Firehouse Rescue" is a maze game in which the child must navigate at various levels of difficulty to rescue Little People.

The software is advertised as "no previous computer experience necessary," which means you have to be able to turn the computer on, insert a disk and type the name of the program. One 9-year-old rooted both programs out of the pile of software awaiting review, got them up and running without help (or permission) and pronounced them "great." Beyond the kid-interest, the games are an alternative to the prevailing smash-slash-boom-doom tone of most recreation software.

For CompuBug's 170-page book, ABC's of Computing, send \$10 to CompuBug, P.O. Box 826, Summit, N.J. 07901. Questions and comments of general interest are welcome at the same address.

Appliance line sure to blend in to kitchen

Anyone who spends a lot of time in the kitchen will be interested in Waring's new appliances.

Those who take bartending seriously will want the Waring Professional Bar Blender. A commercial-grade product like those used in bar and cocktail lounges, the Waring bar blender features a heavy-duty motor, tempered-steel blending blades and a heat resistant 40-ounce glass container. The blender sells for about \$125 and includes a five-year warranty on the motor and one-year warranty on all other parts.

Waring also offers a new electric chopping and mixing tool.

The Kitchen Mates incorporates all of the expected features of a small food processor but is sized to suit smaller families and smaller kitchens, as it comes with a storage rack designed to occupy little counter space. The suggested retail price is \$54.99.

For non-gourmets who like to keep cooking simple, Waring offers the Hot Dog Express. The hot dog cooker helps you cook your hot dogs to perfection and is easy enough for children to use. Cost is about \$40.

Sure to be one of Waring's most popular items this Christmas is the Waring Professional Toaster, which not only toasts to perfection, but also keeps the toast warm until it is ready to serve. The leading selling commercial toaster in Europe, the toaster is the same as one used in Buckingham Palace.

Designed in an art deco style with smooth, rounded surfaces, the toaster features an easy to clean removable crumb tray. Cost is \$230 for the two-slice model and \$300 for the four-slice model.

For CompuBug's 170-page book, ABC's of Computing, send \$10 to CompuBug, P.O. Box 826, Summit, N.J. 07901. Questions and comments of general interest are welcome at the same address.

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Trees, plants warm cold holiday season

By ALISON ASHTON
Copley News Service

One of the nicest things about the holiday is that, just as cold winds start to blow, there is a lot of festive greenery available.

Christmas trees, poinsettias and other holiday plants can be found at a number of outlets. Florists can create arrangements for parties and home decorating, while home-improvement centers often offer truckloads of trees and poinsettias. Even the neighborhood grocery store will have cheerful plants for the holidays.

The Christmas tree is perhaps the grandest holiday greenery of all. But selecting just the right tree is often an experience fraught with worry. No one wants to go home with a scrawny "Charlie Brown" tree, so, with visions of Norman Rockwell scenes dancing in their heads, shoppers spend lots of time and money getting the perfect tree — the one with the right shape and gorgeous, lush branches just waiting for beloved ornaments.

The only way to get a tree that is really fresh and hasn't been mishandled is to chop your own or have one chopped for you. For those who don't live in the middle of an idyllic winter wonderland, this usually means a trip to some out-of-the-way tree farm, an excursion many families enjoy.

Tree choices range from a lush green pine to flocked trees (which add to the cost).

If you are shopping for your tree at a local temporary tree lot or home-improvement store, give it a little shake — if needles shower to the ground, it's past its prime.

Once you have found the tree, put it in a bucket of water as soon as you get home. True tree aficionados recommend leaving the tree in a bucket of water in a cool place, such as a basement, for a few days before decorating it.

A 6-foot pine will absorb up to a quart of water in the first day or two. Then it will continue drinking up a pint every day throughout the holidays. It is fire resistant as long as it keeps drinking.

Cut an inch off the bottom of the trunk, diagonally, to encourage water absorption. Sprinkle the branches and needles with water every day or so. And keep the bottom of the tree in a container of water and refill the container daily.

Everyone has a favorite type of tree

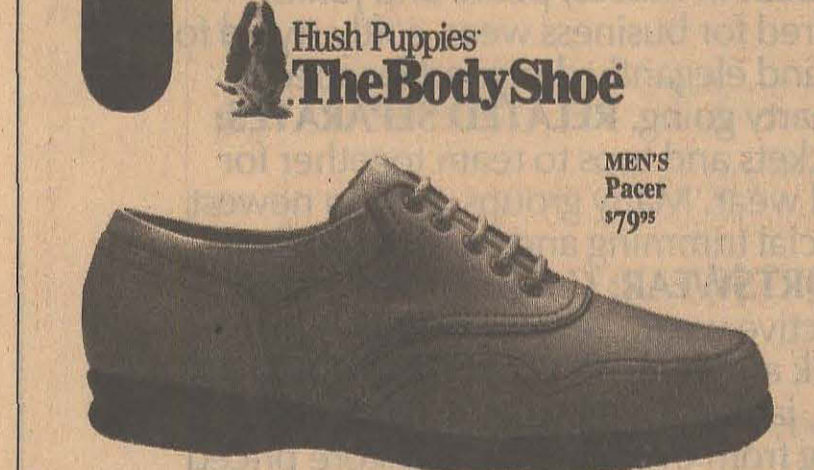
Trees vary, and most of us favor one type over another. Some like the lanky Douglas fir, while others prefer the bushy stone pine. Here is a glossary of some of the favorites:

- Douglas fir — a traditional favorite.
- Norway pine — distinguished

- by long needles.
- Scotch pine — widely available and retains its needles for a long time.
- Red fir — tall and stately, with pretty, silver-tipped needles.
- Norway spruce — best for colder climates.

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Yuletide trees vary from small desktop versions to tall, stately trees.

Add a Christmas tree preservative or a basic floral preservative to retain freshness.

After the holidays, never try burning the tree in the fireplace. An environmentally safe way of disposing of the tree is to chop it up and use it as mulch.

Another option, for those who don't want to deal with the hassle of shedding needles and tree preservatives, is to invest in an artificial tree. After the holidays, simply store it in the basement or in a closet until it's time to dust it off next year.

One idea is to decorate with a theme. The "Dickens" tree is a traditional creation of holly branches, small clear lights and wooden beads. Another traditional theme, "Night Before Christmas," has decorations of Santa, elves, reindeer and carolers.

For a more sophisticated look, try all gold and white decorations with

(Flowers of the Holy Night), poinsettias got their name from Joel Roberts Poinsett, an amateur botanist and the first ambassador to Mexico. Poinsett sent the plant to his home in South Carolina in the early 19th century.

Poinsettia varieties range from small potted poinsettias that are suitable for a coffee table to giant bushes with as many as 30 blooms. Red is the most popular color, followed by white and pink. For a more unusual look, try speckled or marbled varieties.

To keep your poinsettias in good shape, look for a site that offers at least six hours of bright natural light a day and avoid drafty locations.

Keep the soil moist, but not soggy. Make sure water can drain through the bottom, and mist the plant daily to keep it fresh.

And, although the poinsettia is not meant to be eaten, tests have shown that it is not poisonous.

Greenery festive

Poinsettias and trees are not the only holiday plants to consider.

The Society of American Florists says there are plenty of other showy winter blooms to consider.

Azaleas combine green foliage and red flowers.

Kalanchoes are an easy-care option. As a succulent flower, they don't need frequent watering.

Cyclamen are dramatic in red or white.

Christmas cactus have cascading blossoms.

Jerusalem cherries and ornamental peppers are favorites that look like small Christmas trees with lights.

Amaryllis is a holiday favorite in many regions. An elegant bloom, the tall, slender plant blossoms with up to four lilylike flowers.

Chrysanthemums, particularly in shades of red and white, are popular companions with poinsettias.

Salvation Army volunteers will wrap gifts

Volunteers from the Salvation Army will provide gift wrapping daily from 11 a.m. to 6 p.m. Nov. 29 through Dec. 24 at the Heathman Hotel mezzanine.

Proceeds from the gift wrapping will benefit the Salvation Army White Shield Center.

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David Douglas High School trio saves stricken student's life with quick action

Sometimes, people just happen to be in the right place at the right time to help each other. Jan Sanderson, Jim Kitchen and Michele Ditgen are a case in point.

They were nearby when Donald Gibson, 15, a David Douglas High School student, collapsed Oct. 31 while he was walking across the school campus. Doctors say the trio saved the boy's life.

Gibson, who has a rare heart imperfection, suffered what his doctors called "sudden death syndrome." The condition had not been detected until after he collapsed.

Ditgen, 17, a former emergency rescue volunteer, was walking nearby when she discovered Gibson. She knelt to check for a pulse.

Kitchen, a health teacher, rushed

over from the school breezeway and helped turn Gibson onto his back. Jan Sanderson, the school nurse, thought she was responding to a seizure. She raced from her office to the stricken boy.

Gibson wasn't breathing. Sanderson began mouth-to-mouth resuscitation while Kitchen applied rhythmic pressure to the student's chest, and Ditgen counted for the other two.

A Fire District 10 emergency vehicle arrived quickly and transported Gibson to Portland Adventist Medical Center. Later, he was transferred to University Hospital in Portland, where he is scheduled for surgery. Doctors will implant a device that will deliver an electrical shock to his heart if it should stop again.

IN THE MILITARY
For the sake of accuracy, The Oregonian uses only reports from the Army, Navy, Marine and Air Force news bureaus.

Robby J. Collins
Robby J. Collins has been promoted to sergeant in the Army. He is a 1985 graduate of Centennial High School and son of Anita Gsellinger, 12835 S.E. Elie St.

Rebeka K. Pulos
Rebeka K. Pulos has been promoted to lance corporal in the Marines. She is a 1988 graduate of Wahkiakum High School at Cathlamet, Wash., and daughter of Dolly Delager, 17335 S.E. Sunnyside Road, Boring.

Steve A. Delacruz
Second Lt. Steve A. Delacruz of the Marines has graduated from Marine Basic School at Quantico, Va. He is a 1988 graduate of Centennial High School and son of Pedro and Anselmi A. Delacruz, 227 S.W. Hartley Ave., Gresham.

David L. Engstrom
Cpl. David L. Engstrom of the Marines has been awarded the good conduct medal. He is a 1987 graduate of Gresham High School and son of Lynn B. Engstrom, 1355 N.W. Victoria Ave., Gresham.

William L. Warbington Jr.
William L. Warbington Jr. has been accepted officially as a cadet at the Air Force Academy, as a member of the class of 1993. He is a 1989 graduate of David Douglas High School and son of William L. Warbington, 13529 S.E. Taylor Court.

Ricky D. Berry
Staff Sgt. Ricky D. Berry of the Marines has been awarded the good conduct medal. He is a 1977 graduate of Centennial High School. His wife, Wendy, is the daughter of Larry V. and Roberta L. Wirth, 16804 S.E. Ivon St.

Eric D. Schabell
Eric D. Schabell has been promoted to corporal in the Marines. He is a 1987 graduate of Centennial High School and the son of Orson E. and Cathy E. Schabell, 3332 S.E. 159th Ave.

Mary-Helen Vermeulen
Senior Airman Mary-Helen Vermeulen of the Air National Guard has graduated from the Air Force air traffic control operator course at Keesler Air Force Base, Miss. She is a 1984 graduate of Benson High School and daughter of Yvonne M. Vermeulen and stepdaughter of Randy L. Vermeulen, 270 Bridge St., Troutdale.

Steven L. Ragsdale
Steven L. Ragsdale has completed recruit training in the Navy at Great Lakes, Ill. He is a 1989 graduate of Sandy High School and son of Darlene T. Lewis, 38820 Pleasant St., Sandy.

Steven C. Tuggle
Petty Officer Second Class Steven C.

EXPRESSIONS OF THANKSGIVING
Saturday, November 18, 4:00 p.m.

Portland Adventist Medical Center cordially invites you to join our employees, volunteers, medical staff, and former patients and their families in "Expressions of Thanksgiving." This will be a special time of celebration to give praise and thanks to God through music, liturgy and sharing. Enjoy refreshments with us, too, at a reception following the service.

Sunnyside Seventh-day Adventist Church
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Saturday, November 18th

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HOLIDAY Gift Guide

Rockwood: PUD signatures collected easily

Continued from Page 1

The midcounty area also is the site of the state's largest sewer construction project, which was ordered by the state after voters refused in prior elections to support the project.

"It's obvious what's of concern here is not rates so much as it is annexation," said Michael Graine, deputy director of the Oregon Department of Energy who conducted a public hearing and completed a report on the district proposal.

"Those are not energy issues, but they clearly are issues to the voters," he said.

Herb Brown, a Rockwood Water District commissioner and a chief petitioner to establish the PUD, said the PUD's progress has been "remarkable" so far, given the activists' history of defeat on earlier proposals.

Rockwood activists spent nearly two years raising support for a proposed water authority that could have provided water service in areas not withdrawn by the cities. They abandoned that effort because it would have required boundary commission approval and because Gresham officials withdrew its portion of the water district this spring.

The withdrawal has since been found to have been done improperly in a Multnomah County Circuit lawsuit brought by four Rockwood water customers against the city of Gresham.

Brown said PUD proponents had tried to dissuade themselves from that suit, but they are grateful for the efforts of attorneys Dan Meek and Linda Williams.

The district filed a similar suit against the city of Gresham the day after pro tem judge Michael Marcus made his ruling. The district's suit and resolution of some issues in the first suit are still pending.

McRobert said Gresham will need to appeal that ruling.

"We don't have any choice," she said.

PUD proponents managed to gather more than twice the number of signatures required to place the measure on a ballot in less than three weeks.

The PUD advocates also won a victory when the Multnomah County Board of Commissioners refused to send the measure to the Portland Metropolitan Area Local Government Boundary Commission, against the advice of the county attorney.

Frank Josselson, attorney for the PUD, argued the Rockwood proposal should be reviewed by the county commissioners because it was certified before the new law took effect. The three commissioners present at the hearing voted to keep the

"It's obvious what's of concern here is not rates so much as it is annexation."

— Michael Graine, deputy director, Oregon Department of Energy

PUD issue in their purview.

The proposal also survived review by the Department of Energy. The department's report concluded that Rockwood residents could receive adequate water service from either the cities or a PUD.

Bill Stallings, water district chairman and a PUD petitioner, said he thought the conclusions proved the PUD proposal is viable and the water system is in good shape.

However, the proposal is breaking new ground and unresolved legal issues remain, according to the DOE report. Among those issues is a state prohibition that PUDs cannot interfere with existing utilities owned and operated by a city.

Tom Spensler, Gresham's city attorney, said that may prevent Rockwood from operating a PUD because the city had withdrawn the area from the water district. Now that the withdrawals were found to be improper, the city has not decided whether to challenge the PUD's right to operate within the city.

Although the seeds of the PUD campaign are rooted in events of the past, city officials have tried to persuade voters to look to the future.

The city of Gresham is concerned that Rockwood's system has deficiencies that would hamper its ability to meet firefighting needs and to serve industrial growth. In addition, Gresham officials have taken issue with the accuracy of some information circulated by PUD supporters.

Wally Douthwaite, Gresham city manager, said Gresham is better prepared to accommodate growth because it has about three times more reserves in its water fund. Specifically he said Gresham was able to accommodate U.S. Bancorp's planned business center with water and other public improvements that were crucial to luring the project to Gresham.

Fujitsu Microelectronics, by far Rockwood's largest customer, is among the companies Gresham is concerned about because good-quality water in large quantities is essential to its operation.

NEIGHBORS

Dick Romano, vice president of administration, said Fujitsu is monitoring the PUD effort, but is not concerned that a PUD could not meet its needs.

He said Fujitsu was most concerned about the system's storage capacity, but a recent agreement between Powell Valley Road Water District and Rockwood Water District seems to have solved that problem.

Powell Valley agreed in October to provide Rockwood with 2 million gallons a day in emergency situations because it has excess reservoir capacity.

The city signed an agreement with Fujitsu in 1984 that held Gresham responsible for providing adequate water service for the company. Romano said Fujitsu would probably seek a similar guarantee from Rockwood if the area is not withdrawn by Gresham.

Romano said Fujitsu did not intend to ask to be eliminated from the PUD during next week's county commission hearing about final boundaries.

Boeing of Portland, another large industrial customer of Rockwood, is remaining neutral on the PUD issue, said Liz Warman, spokeswoman for the company.

The PUD issue could have an impact on all Gresham water customers because the city has planned since 1984 to assume responsibility for annexed Rockwood customers. It has planned to make improvements in the area and budgeted money to pay for those improvements.

Gresham also has launched a \$5 million reservoir construction project, initiated with the assumption that it would be providing water to the entire city.

Greg DiLoreto, city engineer, said Gresham needed the Grant Butte Reservoir whether or not it took over Rockwood because the city does not meet storage capacity requirements.

Water rates are another factor in the PUD debate because Gresham's residential rates are higher than Rockwood's, but its industrial and fire-line charges are lower than Rockwood's.

DiLoreto said Gresham's initial prediction that it would need to raise city water rates if Rockwood were not absorbed into the system is no longer valid. He said Gresham is undertaking a new study to identify the cost of providing water to various types of customers.

Douthwaite said Gresham could scale back its improvement schedule if the City Council decided holding rates down was a higher priority than improving its system.

Church leader to speak

President Paul Sherry of the United Church of Christ will speak to leading youths of the denomination in three states at a regional meeting at Parkrose United Church of Christ, Northeast 105th Avenue and Wygant Street, at 2 p.m. Saturday, Nov. 18.

Mt. Hood agency to move

WELCHES — The Mount Hood Recreation Association will move from Rippling River — The Resort on the Mountain to new quarters in the Mt. Hood RV Village in Wildwood on Monday.

Keith Petrie, director of the association, said the office, which also serves as headquarters for the Mount Hood Area Chamber of Commerce, will be located temporarily in a trailer just east of the RV Village's entrance. A permanent headquarters will be built nearby on RV Park property.

Does anyone remember childhood life before Nintendo?

And the office! It seems like just yesterday we were stapling our papers by hand, and then — oh, this is so funny when you think of it — actually mailing them. And we were just talking the other day about the old telephones, the ones with a dial. A dial. It's something you put your finger in and turn around.

Enough. Though life sometimes seems to be moving at a more rapid pace every day, high technology has admittedly made things easier, certainly more efficient and loads of fun. And there isn't a soul who doesn't love a new gadget at Christmas.

If your grandmother already owns a Walkman, your children, Nintendo and your spouse a fax machine, here are a few more gift ideas to consider.

THAT'S ENTERTAINMENT: It's obviously a Sony Christmas. Going one step beyond, there is now an AM/FM Sony Walkman that you can wear while you're water skiing. Waterproof, it's attached to a wristband.

But that's nothing. Sony now also makes a Video Walkman VCR-TV, a full-function 8mm VCR with a 3-inch polar television. It's about the size of a hardcover book. It has a rechargeable battery and an AC adapter-charger that adapts to foreign voltages. It's available at most television retailers or in the Sharper Image catalog (650 Davis St., San Francisco 94111).

One more Sony: There are all kinds of compact stereo systems on the market, and Sony is introducing one that measures 8 1/2-by-15-by-10 1/2 inches, with components stacked. It includes amplifier, CD player, AM/FM digital tuner with 30 presets, dual auto-reverse cassette deck, and a pair of three-way bookshelf speakers (measured separately). Model MHC-3300CD retails for about \$1,200.

Took the stereo up to a laser FX II Image Maker, which sweeps your wall and ceiling with two intense beams of multicolor light in time to the music. We found it in the Sharper Image catalog.

Not One more Sony! The CCD-TR6 8mm Handycam camcorder is the smallest, lightest camcorder in the world (their claim). This is a gift for the video buff who is a bit tired of lugging a large camera along on vacation or short excursions. It measures about 4 1/4-by-4 1/4-by-6 1/4 inches, so you could even take it backpacking.

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Consider accessories. The SIMI Products Corp., manufacturer of video accessories, suggests its Video SoundMixer, which allows the audio portion of videotape to be enhanced with several possible combinations of narration or background music.

SIMA's Micro TeleMike is a zoom microphone that picks up sound in a narrow band directly in front of it, minimizing the recording of side noises.

SIMA's SoundCheck headset allows videomakers to monitor the sound of what they're taping, so they can make adjustments on location. For the name of retail stores carrying these products, contact SIMA at

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Maybe you don't need that 3-inch TV with VCR, but so what? It's Christmas

By MONICA PEREZ
Copley News Service

How, one wonders, did our grandmothers ever get through their endless housekeeping chores without a Walkman?

Does anyone remember childhood life before Nintendo?

And the office! It seems like just yesterday we were stapling our papers by hand, and then — oh, this is so funny when you think of it — actually mailing them. And we were just talking the other day about the old telephones, the ones with a dial. A dial. It's something you put your finger in and turn around.

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4001 W. Devon Ave., Chicago 60646.

In the stocking-stuffer category, we found CD discwashers and VCR and cassette head cleaners.

If you own a video camera, you can give your services as a filmmaker and film a friend or relative's birthday party, wedding, or even a "Day in the Life."

FOR THE OFFICE: The digital pocket copier isn't exactly new, but what isn't fresh off the engineer's drawing board is often lower in price.

One version is palm-size, doesn't require thermal paper, has a three-line, two-minute memory and costs 50 percent less than two years ago. Look for it in office supply and business machine stores.

It's hip to be stressed but even hipper to not let it affect your health. To help keep tabs on your blood pressure, there are a number of pocket-size monitors now available. They measure your blood pressure and pulse when you insert your finger in a sensor. Check sporting goods stores and high-end gift and electronics departments.

Another prolific little machine this year is the electric stapler. Some models run on batteries, some plug in. Presumably they save you the hassle of needing two free hands to staple something. If your assistant is terribly inefficient, this may help speed things up.

Business travelers are easy to shop for. Travel irons are getting smaller, safer and more adaptable to international power sources. Black

& Decker has two new steam models.

More travel boons: the pocket air purifier and the pocket ionizer. We did not test these. However, if you know someone who travels internationally and complains of how heavy the French smoke is or how negative (or is that positive?) the ions are in Japan, these handy items have ranges of 50 to 80 square feet. Look in high-end gift and electronics shops.

Few offices in the world have perfect climate control. With this in mind, there are both portable heaters and desk-top fans.

Brookstone carries a heater measuring 7-by-6-by-6 1/2 inches that kicks out a powerful 1,500 watts of power. It's engineered for absolute safety.

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HOLIDAY Gift Guide

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METROEAST

BUSINESS

Company gives software package to boost college's tourism program

GRESHAM — Students in the hospitality and tourism program at Mt. Hood Community College will gain a hands-on introduction to guest reservations, thanks to the Hotel Information Systems Co. of Pleasant Hill, Calif.

The company has donated \$10,000 worth of computer software to the college, said Court Carrier, tourism and hospitality program coordinator.

The software will be used in a spring-term class that teaches students how to use computers in the lodging industry.

Carrier said students would use the software to perform basic management tasks in the classroom, exactly as they would do if they were working in a hotel or lodge. The program is designed to assist with basic chores such as taking reservations and checking guests in and out of their rooms.

Hotel Information Systems is one of the largest marketers of property automation systems in the world. It has installations in more than 70 countries.

Bakery building tenants lining up

GRESHAM — The former Franz Bakery building on North Main Avenue in downtown Gresham will house specialty shops ranging from custom jewelry to baseball cards and memorabilia. Tenants will include the Jelly Bean Beverage & Bakery, Ganaway Brothers Jewelers, an antique refinishing operation, and a baseball card and memorabilia shop, according to Frank Hartner, co-owner of Ashley's Restaurant.

Hartner and his brother, Bill, purchased the building last month.

Jelly Bean will be run by Jim Hartner, currently manager of JFI, a fixture company for convenience stores. The store will sell a complete line of wine, beer, soft drinks and other beverages, Frank Hartner said.

Ganaway Brothers, currently at 15 N.W. First Ave. in Gresham, is based in Warrenton. The Gresham store opened three years ago. Bob Ganaway, who manages the business with his sons, Jim and Tim, said he plans to move into the former Franz building early next year.

Ganaway Brothers Jewelers designs and makes most of the jewelry based on customer specifications. Bob Ganaway said the former Franz building will give him much more space.

"We feel strongly that downtown Gresham is going to grow, especially for our kind of business," Ganaway said.

Vern Clifford of Vancouver, Wash., will operate the antique store. Clifford plans to refinish and sell antique furniture.

Wright Business Forms plans to expand

GRESHAM — Wright Business Forms, 18440 N.E. San Rafael St., is planning a major expansion.

The company has applied for a \$3.5 million revenue bond, which the Oregon Economic Development Commission is scheduled to consider Monday.

Jim Robbins, Wright's vice president, said the commission's finance committee approved the bond in October, and the U.S. National Bank of Oregon has issued a letter of credit for the money.

Wright expects to move several new pieces of equipment into a new building Dec. 9, Robbins said.

Most of the bond money will be spent on equipment, although some will be used to double the size of a second building the company has acquired at 19520 N.E. San Rafael St., he said.

Wright produces business forms and mail products that are distributed to customers in several states.

The company employs 125 people on two, 12-hour shifts, operating seven days a week.



Adolf Hertrich, owner of Vanport Manufacturing Inc. in Boring, pauses during a busy day at the sawmill. The company, which exports lumber

to Japan's burgeoning lumber market, has operated double shifts for 138 consecutive months. The mill employs 250 workers.

The Oregonian/TOM TREICK

Sawmill busy supplying Japanese market

By ERIC GORANSON
of The Oregonian staff

BORING — Adolf Hertrich, owner of Vanport Manufacturing Inc., a sawmill, is bidding on logs from as far away as Idaho to supply the burgeoning Japanese lumber market.

He said logs must be hauled from greater distances because of the controversy over harvesting timber.

While other sawmills have sputtered and fallen by the wayside — victims of a long recession and uncertain log supplies — Vanport has zoomed along at production capacity.

The company has continued double-shift operations for 138 consecutive months.

Hertrich pioneered the cutting of timber to the metric scale in use in Japanese construction and sells about 95 percent of his output to Japan.

The company poured approximately \$4 million into the mill over the past three years, increasing capacity by about 40 percent to 7.5 million board feet of lumber per month. Today, the mill employs 250 men and women with the addition of some remanufacturing operations.

Included is a new sawmill and a new state-of-the-art drying kiln that is energy efficient, needs less heat and dries the lumber with less shrinkage and cracking. The kiln

not only saves power, but also increases the value of the dried lumber, Hertrich said.

Despite the improvements, Vanport is still unable to meet all of its needs on site, he said. The company recently shipped 300,000 board feet of lumber to Niedermeyer Martin in Ridgefield, Wash., for drying.

Hertrich said he might purchase another drying kiln for Vanport. He also is in the process of purchasing additional land for expansion. Fifty acres in Boring are now stacked full of lumber and logs.

Hertrich has begun to diversify. Last year, he entered the real-estate market with a \$250 million subdivision and golf-course development in

Clark County. The project will move ahead in phases as growth in the area takes place, he said.

Known as Lacamas Shores, the total development will cover about 570 acres adjacent to Lacamas Lake, just north of Camas. The lake is about the same size as Lake Oswego, Hertrich said.

In addition to the real-estate venture, Hertrich also is in the trading business, exporting large television screens and other products to the Far East and importing industrial machinery, tires for off-road vehicles, building hardware, saw blades and rebuilt Japanese auto engines to the United States.

Clackamas County may contribute to tri-county parks program

By VINCE KOHLER
of The Oregonian staff

OREGON CITY — Clackamas County may help underwrite a Metropolitan Service District program that could lead to a regional parks system in the Portland metropolitan area, members of the Board of Commissioners said.

The county may contribute some money during the 1989-90 fiscal year to support a program to inventory nature areas and potential park

lands in the tri-county area. The county also is considering contributing \$5,000 toward the program during fiscal 1990-91, commissioners said.

The commissioners met Nov. 2 with Metro officials to talk about the regional parks idea. The work session came as the county conducted a study of its own on public attitudes toward establishing urban parks in the county's northwestern corner.

Metro is seeking the cooperation of governments in the Portland area

in welding 37,000 acres of parkland operated by 25 entities in the metropolitan area into a regional parks system.

Metro has completed the first phase of a regional inventory of natural areas. The inventory eventually will become a component of a computer data base to help governments in the area set priorities for development of parks.

Clackamas County may contribute money during this fiscal year to the second phase of that effort,

which will include field surveys and inventories of wildlife and birds. Metro's goal is to identify areas in the region suitable for parks and allow for their preservation in keeping with patterns of urban development, said Mel Huie, a Metro planner.

Next year, Metro will use the data base to begin analyzing ownership patterns, zoning and other factors affecting the suitability of specific sites that might be included in a regional parks system, Huie said.

METROEAST

RELIGION

Hood View Seventh-day Adventist sets 'Sweet Hour of Prayer' concert

A free concert of religious music based on the theme "Sweet Hour of Prayer" will be held at 4 p.m. Saturday, Nov. 18, at the Hood View Seventh-day Adventist Church, 26775 S.E. Kelso Road, Boring.

David and Cheryl Collins of Boring, newcomers from Saskatchewan, will present songs, instrumental music and readings about prayer. David Collins is a tenor soloist and music teacher at Hood View Junior Academy, an Adventist school in Boring, and Cheryl Collins is a keyboard teacher at Linfield College.

Advent Lutheran holds Christmas bazaar

TROUTDALE — Advent Lutheran Church, 123 S.W. 21st St., off Troutdale Road, will hold a Christmas bazaar from 9:30 a.m. to 5 p.m. Saturday, Nov. 18.

St. Henry slates auction, country store

GRESHAM — St. Henry Catholic Church's autumn auction and country store will be held Saturday, Nov. 18, in the parish center, 395 N.W. First St. The country store, which features crafts and home-baked goods, will be open from 10 a.m. to 4 p.m. and from 6 to 8 p.m.

Auction items include trips, Portland Trail Blazer tickets, dinner certificates, and miscellaneous goods and services. Bidding on the silent auction begins at 6 p.m., with the oral auction following at 8 p.m. General admission is \$5, which includes snacks and an auction book listing items available for bidding.

Celebration at Sandy Assembly of God

SANDY — The Sandy Ministerial Association will sponsor a community Thanksgiving celebration from 6 to 8 p.m. Sunday, Nov. 19, at the Sandy Assembly of God, 39600 Highway 26, Sandy.

The evening will feature songs and scripture, and the offering will benefit Mt. Hood Hospice. Canned goods will be accepted for the needy. Child care will be provided for babies and preschoolers.

Johnson speaks at Eastrose Unitarian

John Baros Johnson, intern minister at First Unitarian Church in Portland, will speak at 10:30 a.m. Sunday, Nov. 19, in the Eastrose Unitarian-Universalist Fellowship hall, 1133 N.E. 181st Ave. His topic will be "Evolving Faith, UU Identity."

Sandy church sponsors stress workshop

SANDY — Immanuel Lutheran Church will sponsor a stress workshop from 4 to 6 p.m. Sunday, Nov. 19. The church is at 39901 Pleasant St. in Sandy. The workshop is entitled "How Am I Doing?"

Gordon McMinn, a professional counselor from the Beaverton Family Counseling Center, will help people evaluate the personal factors related to decision making and planning for the future.

Hope Ministries support meeting Nov. 20

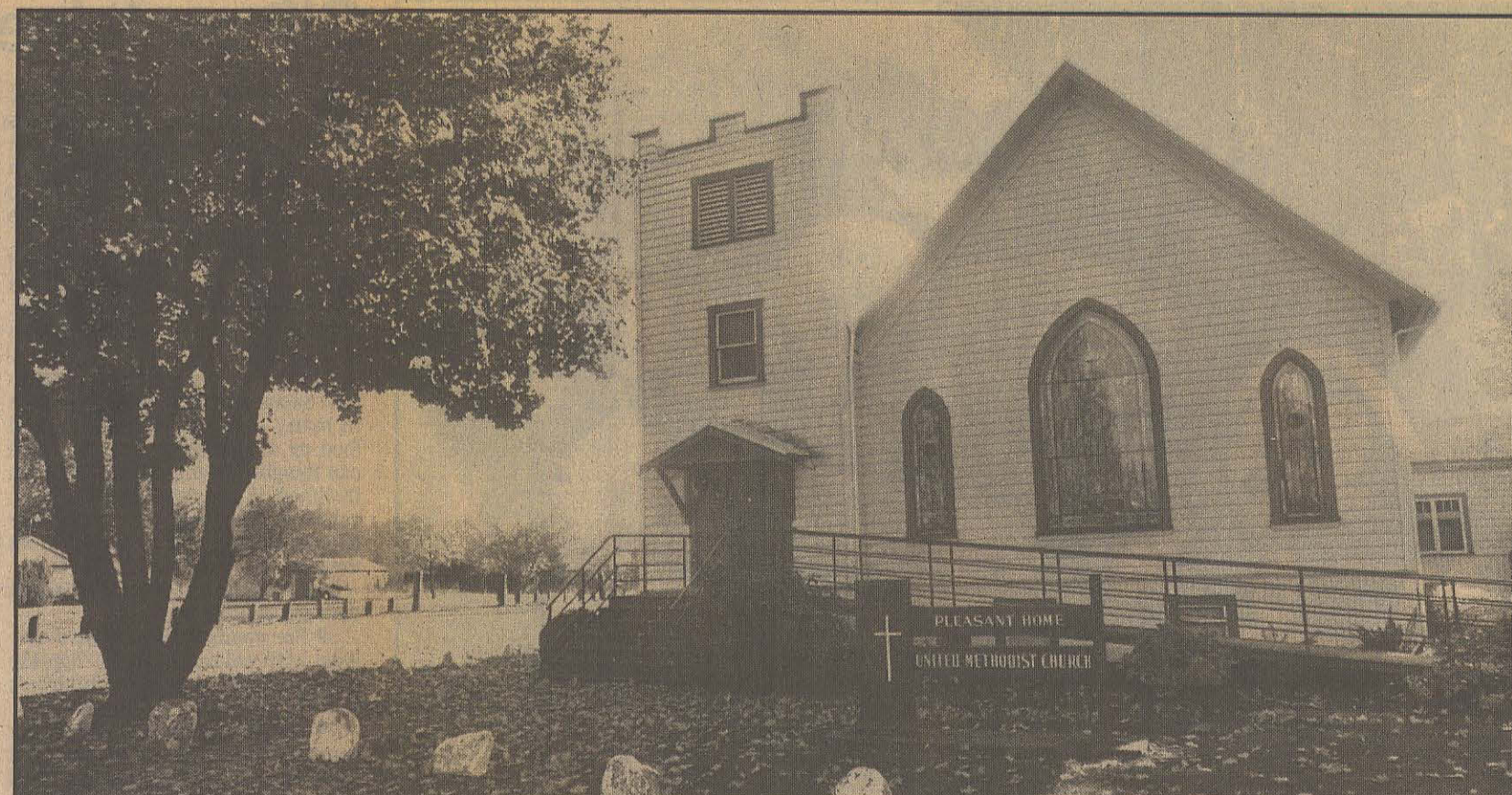
Hope Ministries, which sponsors a support group for families with disabled or handicapped children, will hold its next support meeting at 7 p.m. Monday, Nov. 20, at the Gresham Church of the Nazarene, 21512 S.E. Stark St.

In addition, Steven D. Carlson, founder of the program, said respite care will be available from 11 a.m. to 4:30 p.m. Nov. 25, for families who bring their children to the church. Parents should call the church in advance.

Mix and match fashion show at Elks Club

GRESHAM — The Gresham Christian Women's Club will "mix and match" fashions during a luncheon program that begins at 11:30 a.m. Monday, Nov. 20, at the Gresham Elks Club, 355 N.W. Division St.

The guest speaker is Ramona Pouts. Joan Jantz will present the special feature, and Diane Wingard will perform music. Admission is \$5.75.



The Oregonian/ROGER JENSEN

Pleasant Home United Methodist Church, home to the same congregation for more than a century, anchors peaceful countryside east of Orient.

Orient church remains vital after 105 years

By WATFORD REED
of The Oregonian staff

Church buildings often go through several life cycles in a century, but Pleasant Home United Methodist Church is an exception. The white clapboard church has been home to the same congregation since 1884.

"The strength of the church is its sense of family," said the Rev. Bruce T. Montgomery, who has been pastor there for four years. "Generations of some families have been in the church. It's hard to be a stranger in a church like that."

He said younger people, some new to the community, come because they like the feeling of an extended family.

Montgomery is the 48th minister who has served the historic little church at Southeast Bluff and Pleasant Home roads, out in the country east of Orient.

Weekly attendance averages 65 to 75, he said. Ninety persons are on the membership rolls, and Montgomery expects to add another six by the end of the year. Members have raised \$10,000 for improvements in the last three years, he said. The congregation put a new roof on the building this year, and members have drawn up a schedule of maintenance to fit the needs and budget of the small church, he said.

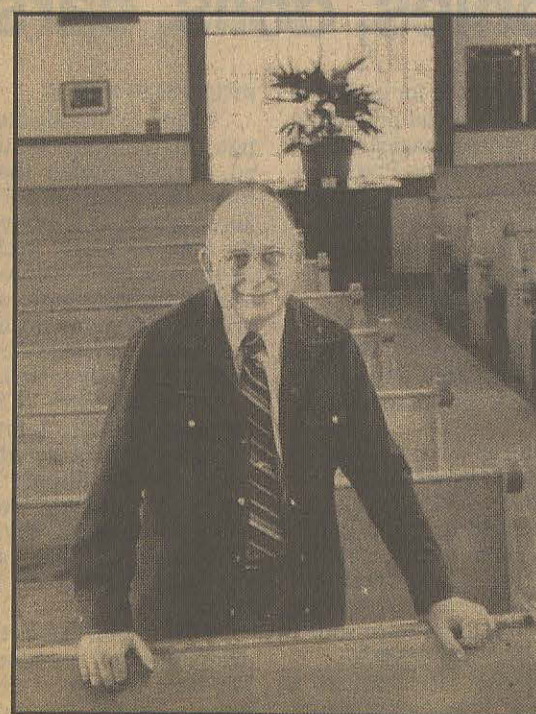
"I'm proud of them," Montgomery said. "They do very well."

Maintenance is the key to keeping an architectural centennial intact, as the Gresham Historical Society has discovered.

The society is converting a 101-year-old former Baptist church into a museum in Gresham's Main City Park. Leo Larsen, a retired carpenter's union official, said he himself has spent at least 1,000 hours working on rehabilitation of the former church. Other people also have contributed many hours to the museum project, he said.

At the venerable Pleasant Home church, maintenance has been a consistent part of the program.

Although the building dates from another century, improvements have kept it up to date. In 1927, the congregation used horse-drawn machinery to excavate dirt from under the building to



The Rev. BRUCE MONTGOMERY
Proud of congregation

make room for a basement.

The church installed stained-glass windows in about 1928, and a new steeple was erected to replace the original one. A kitchen and a fellowship hall were added in the 1940s.

Like the neighborhood, the Pleasant Home church has seen good times and bad. Montgomery said the Pleasant Home community once was an incorporated city of 2,000. The town had its own post office from 1876 to 1886, according to Anna Bushue, a longtime member of Pleasant Home United Methodist Church.

But the construction of the Mount Hood Railroad along what is now Dodge Park Boulevard led to the flight of several businesses in 1913, eroding the community's core.

From time to time, the Pleasant Home church

has accepted financial help from other Methodists to pay a preacher, but Montgomery said the church now is able to help other churches.

The congregation also has an endowment of \$17,000, which was started by a \$5,000 bequest by the late Corinne Chamberlin, a Gresham physician whose husband, Mark Chamberlin, was the minister from 1941 to 1949.

Montgomery has taken time to study the historic graveyard behind the church building. The cemetery belongs to Multnomah County.

"You can see when the epidemics hit," he said. "There was one in the 1890s. There was another in the early 1900s, and a lot of small children died. Somebody said smallpox did it."

The Pleasant Home church was built in 1884, and the cemetery site set aside by Archon Kelly, son of Clinton Kelly, who gave land for at least one church and one school in Portland.

Archon Kelly was recognized as a lay preacher and often was referred to as "Rev. Kelly," according to a family history written by Esther Kelly Watson.

Old churches, like people, sometimes have to endure mid-life crises.

Montgomery said a minister who served the church in the 1950s wanted a new building. The Pleasant Home congregation disagreed, and the church building survived.

Montgomery said that even today there was no need for a new building.

"The building will be there many more years," he said. "The care they have given it means it will be useful many more years."

The neighborhood is growing, he said, but the congregation could triple in size, and it still would not be necessary to build a new church.

"We could have several services," he said. "People would want to keep this building."

Montgomery summarized his own philosophy. "There's a difference between a salesman and an order-taker," he said. "The order-taker stands behind the counter and writes down what people tell him. A salesman goes out where the people are to meet their needs."

"That's the way the church should be," Montgomery said. "We need to mingle with people. It needs to meet some basic needs in society."

When a loved one grows more dependent with age, it takes strength to be their support.

Gerber Advertising Photo: Michael Jones

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